considerable debate within the

administration in the last two

months. The State Department is

divided on whether to sell Moroc-

co the planes and helicopters it

had requested for use against

Polisario rebels in the part of

the former Spanish Sahara that was placed under Moroccan rule

when the territory was partition-

ed in 1975 between Morocco and

To ollow Morocco to use the

U.S. equipment in the Western Sahara, the United States would

have to rewrite the 18-year-old

military agreement with Morocco

that bars Morocco from deploying

U.S. arms beyond its legar bor-

The administration, in laformal

consultations with members of Congress, had said that it would

revise the military accord if it

sold the arms, but that it would

not recognize Moroccan sovereign-

Effective Aircraft

of 24 OV-10 armed reconnaissance

aircraft, called the Bronco. The

aircraft was originally designed

hy Rockwell International for

counterinsurgency operations in Vietnam in the 1960s. The plane,

lieved to be more effective against

guerrillas in the desert than the

U.S. F-5Bs that Morocco has as

The United States was also ask-

ed to sell Morocco 24 Cobra helicopter gunships made by Bell

The total cost was believed to exceed \$200 million, including

spare parts and training, and the

cost would be offset by military credits running at \$45 million

helped Morocco defray military

The significance of the Morocdeal extends beyond the

Western Sahara situation, offi-

Saudi Arabia has also

well as 145 more advanced French-

made Mirage F-1s.

Helicopter.

slow-flying turboprop, is be-

Morocco had requested the sale

Mauretania.

ty in the area.

PARIS, WEDNESDAY, MARCH 1, 1978

Established 1887

Spanish Army Delays Trial After 2 Mimes Flee; 4 Jailed

By James M. Markham BARCHLONA Feb 28 (NYT), graphing themselves in the big-gest political flap since opposing the legalization of the Commuine reasonment of the Commu-jail party a year ago, Spanish military authorities today arrayily "suspended" the trief of an intercent Catalan mime googs after two of its members ortedly. Red the country. 2 Reside the vast stone head-guarters of the 25th Jaco Regi-

ment here, a uniformed spokes-man told a surprised crowd of sentor officers, defense lawyers and senetous that the colonel assigned to preside had postponed the trial citing an article of the military code that covers absent

"We see being run over!" a defense kwyer, Jose Maria Lope-ress, protested loudly, arguing that four of the six defendants in the case had arrived in time for this 9 a.m. proceeding. "By a truck you should all be enn over!" retorted a straightbacked lieutenant colonel Another officer suggested andibly that the visiting lawyer should tearn better manners.

This encounter was symptomatic of the latent civilianmilitary confrontation in the decision of Gen. Francisco Colona.

ed captain-general of Catalonia to prosecute the Els Jogians mime pany for "insulting the armed forces" in a skit that parodied Franco-era military justice.

Yesterday afternoon, Albert Boadella, director of the com-pany, slipped out of police cus-tody in a municipal hospital here to avoid today's trial. One of his actors, Ferran Rene, who had been on provisional liberty, also disappeared, and this evening both men were reported by sym-pathizers to be out of Spain, presumably in France Mr. Bosdella squeezed ont of a small bathroom window, and Barcelons newspapers today carried detailed maps of his presumed escape route as well as accounts of the lithe director's athletic prowess

By freezing the case, Gen. Coloma successfully avoided a potentially embarrassing trial, which has been gingerly criticized by Spanish politicians wary of offending the once all-powerful military establishment and more forcefully by artists and intellectuals. It also permitted the indefinite jailing of the four defendants, three men and a woman who did not flee. All four were locked up today in Barcelons

Salisbury Admits Incursion

Botswana Says 17 Die In Raid by Rhodesians

GABORONE, Botswana, Feb. 3 (AP).—Rhodesian throps on a aid inside Botswana yesterday illed 15 soldiers and two civilans and wounded eight soldiers, he Botswans government said

Vice-President Quett Masire in the intersection of the borders of Rhodesia, Botswana, Zambia and South-West Africa's Caprivi Strip, would force Botswana to reconsider its approach to "the Rhodesian problem."

Botswana is the only black nation bordering Rhodesia that has not declared itself in a "state of war' with the white-ruled rebel colony, and has not officially permitted Rhodesian guerrillas to operate from inside its borders.

In Salisbury, the military command confirmed that its troops fighting Botswana troops, they command said its forces were in "pursuit of a band of black na--tionalist guerrillas who had attacked a Rhodesian patroi inside

Late yesterday, the Rhodesians clashed with "the terrorist group sided by elements of the Botswana defense force," the communique said. As soon as the troops realized they were lighting Botswana troops, the palled back, the command said.

Mr. Masire, however, insisted that the Botswans troops had found no "freedom fighters" in the area, and he called the clash

1 "brutal and unprovoked at-"This is an act of an insane tegime which is purporting to aegotiate a penceful settlement in Salisbury while its agents are nassacring nationals of neighboring countries in those coun-

tries," he declared. Mr. Masire said that about 30 roops were dispatched to Kazunhula vesterday to check on reorts of Rhodesian troops in the area. They found none, but on their way back "they were ambushed by members of the Rholesian security forces," he said. All three Botswans Army rehicles were destroyed. The servivors trekked back to Kazun-

-Jule on foot Neither side claimed any Rhoicsian casualties.

The clash was believed to be the fifth along the Rhodesian-Sotswans border since the guer-



Austria A special report on Austria appears in the second part of today's editions.

Flight to Preedom

"elasticity, muscular control, body rhythm, etc." in the words of La Vanguardia's drama critic

A few of the protestors raised hand-painted banner inscribed with the words "Libertat d'expression"—Catalan for freedom of expression which was removed by soldiers. When a second banner was draped in some pine tress, riot police were called in and, wielding crowd-control weapons, swiftly dispersed the

Penal Code Remains It was not clear whether the decision to postpone the trial reflected a judgment by Gen. Coloma, a longtime army minister under Franco who is about to go onto the reserve list, or pressure from higher authorities. Within his domain of northeast Ca-talonia, the 65-year-old general is free to make his own decisions. His move against the mime troupe is an embarrassment to Spain's young democracy but, as he noted himself in a recent interview, the penal code has not yet been modified to remove the military from civilian justice.

was arrested yesterday just as

he was about to appear as Hippo-

lytus in a production of "Phaedre" in the Catalan town of Gerona. Orders for the arrest

of the others were also issued after Mr. Boadella's fight, but

they were not apprehended until they showed up this morning.

Playing the part of Phaedre would have been Spain's leading

actress, Nuria Espert, who today appeared outside the military

headquarters with about 100 other

artists and young people, who wore paper badges calling in Catalan im "freedom of expres-

sion" and, in a few cases, sport-ed white masks similar to those

worn by Els Joglars in their per-

formances. Also present was a representative of Amnesty Inter-

But, until the general is retired or the trial is held, the four actors will probably stay in prison at a time when virtually all of Spain's political prisoners have been freed.

The Els Joglars play that of-1974 was executed by the garrote on iron collar that kills when it is tightened; around the victim's neck by a screw mechanism-after having been convicted of murdering a policeman. The play, entitled "La Torna," had been approved by the Ministry of Culture although it portrayed officers at Chez's military trial as drunken and incompetent. Gen. Coloins was army minister

at the time of Chez's execution.

At Deadlocked Parley

West Proposes a Final Text At Belgrade Ignoring Rights

BELGRADE, Feb. 28 (Reuters). -The West today presented a relatively brief document as a proposed final declaration by the deadlocked European Security Conference, apparently abandoning hope of reaching agreement on human rights pledges.

The two-page draft, circulated informally to all delegations at the 35-nation gathering, made no direct reference to human rights or other humanitarian issues.

It said consensus was not reached on various new proposals submitted to the meeting, already running two weeks behind sched-

ern bloc allies have rejected virtually all major proposals by the West and neutral countries on ways of improving the implementation of the 1975 Helsinki accords, on human rights, mili-tary and political detente and economic cooperation.

'Soviet Intransigence' The draft, circulated by Denmark, was worked out as a coint paper by all members of NATO and the Common Market.

In view of Soviet intransigence, we virtually gave up hope achieving a substantial and detailed final document for the meeting more than a week ago and a relatively short paper seems the only feasible and honest way

out," a Western diplomat said. The paper called on all the participating states to reaffirm their determination to implement fully, unilaterally, bilaterally and multilaterally all the Helsinki provi-

It suggested another Belgradetype meeting to be held in Madrid in 1980, a proposal already basically agreed to by East, West and the group of nine European noutral and nonaligned countries.

Rights Issue Raised Meanwhile, four Western scientista said today in documents presented to delegates that the Soviet government constantly violated the human rights and freedom to work of its scientists. The four, including French Prof. Andre Lwoff, a Nobel Prize-

Although Botswans has insisted that it does not provide bases for Rhodesian black nationalist guer-

rilla war broke out five years.

rilles, Rhodesia has maintained that the country has been used ... as a launching pad for most sended the general was a hom-than's year by guerrillas of age, to Heins Chez, a mentally Zambia-based insergents led by unbalanced stateless Pole who in Joshus, Nkomo.

Botswana has become a major goal of thousands of Rhodeslan refugees fleeing fighting in western Rhodesia. As many as 1,000 month flood into Botswans across the 400-mile semi-desert

The Botswana defense force was created only last year in the face of reported cross-border raids by Rhodesia. It now numbers about 500.

> would appeal to all Western scientists to boycott scientific meetings in the Soviet Union. They said there were about 70 scientists in the Soviet Union who were harassed or imprisoned and whose human rights and scien-

> tific freedoms were constantly violated by the authorities.

Right Wing Balks

Andreotti Party in Disarray The Soviet Union and its East- Over Deal With Communists

ROME, Feb. 28 (Reuters).— Premier-designate Giulio Andrectti's Christian Democratic party was shaken by dissent today in a debate over whether it should form a parliamentary pact with the Communists.

At the start of the second day of a special session of Christian Democratic senators and deputies, many speakers criticized the proposed deal with the Communists.

Mr. Andreotti, trying to form

1

Arnaldo Forlani

a new minority Christian Democratic government with five other parties, urged his party last night to back an emergency parliamentary pact with the Commists But hardline anti-Communists

circulated a draft resolution that called for an "explicit rejection of a political majority proposed the Communists."

Replacement Charged The debate led to charges that group within the Christian Democratic party was trying to

replace Mr. Andreotti-possibly with Foreign Minister Arnaldo Forlani. Several Christian Democrats said Mr. Andreotti was supported by a majority in the party, which believes that the only alternative to the pact is an early general

election that might not change the situation: Mr. Andreotti's rejection of Communist demands for cabinet posts in an emergency government started Italy's 43-day-old political crisis, but he has offered a compromise which would give the Communists greater influence in government decisions.

He proposed that the Christian Democrats, Communists and four other parties work out a limited program, give a new minority Christian Democratic government their vote of confidence and form a committee to monitor the cabinet's performance.



Use of Italian Isle for Exile Is Protested

TSLE OF LINOSA, Italy, Feb. 28 (Reuters) -Shops, the local school and offices on this Mediterranean island were shut today as its 400 inhabitants went on a one-day strike to protest the government's exiling here of a leftist student.

The islanders also prevented igers from getting off the ferry from Sicily. "We want Rome to more stand that they cannot use this island as a dumping place for

political prisoners," Mayor Salvatore La Russa said. Roberto Mander, 26, a Rome student suspected of being a leading anarchist, arrived here

year's exile under a law which allows authorities to banish persone dangerous to public order" to remote parts of the country without trial

Ha was condemned to

He joined two suspected Mafia leaders who also were recently exiled to the island.

Other Exiles

The islanders say that they are not equipped to cope with exiled prisoners like Mr. Mander. "We can neither offer him work nor a place to live," the mayor said. Almost 10 per cent of the island's population is unemployed. There also are no hotels or restaurants.

The islanders want to open their island to tourism, "But who would come if this place is to be turned into a political interment camp?" the mayor

Mr. Mander, who has been given a policeman's room in the municipal hall, said. It is a hard life I am living off eggs and tomatoes because nobods wants to cook for me. I do understand the people very well, but I cannot help them. Injustice is everywhere

"I accepted banishment not in order to avoid being arrested but to demonstrate what a ridi-culous law this is," he added.

Publisher Denies Revisions

Nixon Book's Frost Is No TV Star

By Herbert Mitgang

. Ped. 28 (NYT). David Frost is a 41-year-old, bearded bespectacled chief copy editor at the New York publishing house of Grusset and Dun-He highly regarded by colleagues for his accuracy and modesty. His job is to work on other people's hooks, anonymonsly. His name is harely known to the writers of the books whose grammer, stylistic inconsistencies and facts he checks and corrects.

David Frost's name never gets into the gossip columns is never tapped out over the national wire services, is never heard over the strucyes. He is a bachelor who lives in Brooklyn, is a lively chap around the office and will go anywhere to see and hear opera per-

Yesterday, his name made headlines in a New York news-paper. David Prost had finally achieved his moment of glory in the smehine of journatism.

The real David Frost of Brooklyn was mixed up with someone bearing the same pame who is a transatlantic jet-setter, interrogator and television business colleague of Richard Mixon, the real former president. It practically

David Frost ... not from Brooklyn. kuled the Brooklyn Frost's working day because everybody was calling to tell him what he had long known that his name was David Frost, too.

Front-Page Report The problem was caused by a report on the front page of the New York newspaper The Trib yesterday. The tabloid's publisher. Leonard Seffir, and its communi-cations editor, Lemmy Johnstone, wrote that the television producer, David Frost, had been enlisted as pert of a new team in San Clemente, Calif., to rewrite Mr. Nixon's book,

But, according to Grosset and Duniap executives, no revisions are being mada in the former president's memoirs as a result of the publication of H.R. Haldemen's "The Ends of Power" or of British David Frost's book about his television broadcasts with Mr. Nixon, "I Gave Them a Sword."
"I spoke to Mr. Nixon two weeks

ago and I'm in daily such wih our editors in San Clemente and revising," Robert Markel editor in chief of Grosset and Dunlap, said. "Even though there were reports before his book came out that Haldeman had named a Deep Throat' and blamed Nixon for the tape erasure, Mr. Nixon said he saw no reason to make changes in his own book."

Haldsman Book Unread

Jack Brennan, Mr. Nixon's spokesman, said, according to UPI: "Wa haven't read Bob Haldeman's book and have not changed one word in President (Continued on Page 2, Col. 4)



Sen. Richard Stone

Sought for Sahara Use

U.S. Said to Bar Morocco Planes

By Bernard Gwertzman

WASHINGTON, Feb. 28 (NYT). -The Carter administration has bowed to some strong congressional opposition and deferred indefinitely a plac to sell aircraft and helicopters to Morocco for use in the Western Sahara against Algerian-backed guerrilas, State Department officials said vesterday.

According to the officials, Secretary of State Cyrus Vance de-cided recently to postpone any action on Morocco's urgent request for more than \$100 million in counterinsurgency planes and helicopters for two basic reasons.

The first was opposition voiced by some influential congressmen, and the second was concern about having to defend a controversial sale to Morocco at the same time that the administration was facing severe criti-cism of its \$4.8-billion package of fighter aircraft sales to Egypt, Seudi Arabia and Israel.

Sen. Richard Stone, D-Pla. told the Senate yesterday that he had information that Saudi Arabia had plans to build up ao air base at Tabuk, near Israel's bonders, and this raised ques-tions about the contemplated sale of F-15s to Saurii Arabia,

Stone Notes Hesitation

While not condemning the sale outright, Sen. Stone, chair-man of the Foreign Relations Subcommittee on the Middle East, strongly suggested that he would oppose the Saurii part of the deal. Sen. Stone, who is Jewish, is a strong supporter of

The Moroccao deal has aroused



expenses in the past.

cials have noted. The State Department Middle East Bureau believed a favorable U.S. response was necessary to alleviate concern expressed by Morocco, and other U.S. friends in the area-Saudi Arabia, Iran and Egyptthat the United States was not taking a sufficiently active role against Soviet and other radical penetration of Africa. The department's Human Rights

Divisioo was reported, however, to be concerned that Morocco's record did oot warrant approval of (Continued on Page 2, Col. 8)

Letters Suggest Informal Relationship

Hanna's Notes Link Park to Seoul President

ington as her representative."

By Robert L Jackson

WASHINGTON, Feb. 28 .-Former Rep. Richard Hanna of California once described his friend Tongsun Park as a Korean operative who had the personal backing and approval of South Korean President Park Chung Hee, Mr. Hanna's bandwritten

notes showed yesterday. Copies of several letters and notes obtained by the Los Angeles Times showed that Mr. Hanna. while in Congress, sought to keep President Park apprised of Tongson Park's influence there. Mr. Hanna, now under indict-ment in the South Korean in-

fluence-buying case, said in a 1972 note: "Of course, Mr. President, we all realize that Tongsun would hardly be an effective agent working for his country's interest without your very meanhigful support and apparent confidence. The California Democrat added,

"Korea now has perhaps one of

Tongsun Park, who will begin testifying today before the House Select Committee on Ethics in its influence-buying investigation, has denied that he was a South

Dollar Falls

To a New Low

PARIS, Feb. 28 (IHT). -The dollar fell to a record low level against the deutsche mark today and declined. sharply against other major currencies in European trad-

The continued decline came despite action taken by the Swiss National Bank to control capital inflows. Story Page 9.

federal indictment in August. He has described himself as a rice broker and private citizen. If evidence shows that Mr. Park was a foreign agent, any contributions he made to congressmen

would be unethical and illegal

even if the recipients complied

with other aspects of federal campaign law. Mr. Park, who is receiving immunity from prosecotion in re-turn for his testimony in the congressional payoff scandal, pleaded not guilty in federal court yesterday to bribery and other

charges against him. Mr. Hanna's letters, which federal investigators possess, suggest that Mr. Park's ties to the Seoul government may have been informal and unofficial but that President Park was kept aware of his lobbying efforts.

In a 1972 note to the director of the Korean Central Intelligence Agency in Secul, which the Times (Continued on Page 2 Col. 7)

Provoked by Deaths of Commandos on Cyprus

Anti-Palestinian Sentiment on Upsurge in Egypt

By Christopher S. Wren

CAIRO, Feb. 28 (NYT).-"It is time to forget about the Palestinians and their cause," said Sayed Found, a 38-year-old Cairene, the other day. 'If they ore shie to kill people, why won't they go and free their own sands?"

It was a sentiment prevalent among Egyptians after the confrontation last week in Cyprus ret off by the murder of a prominent Egyptian journalist. Anti-Palestinian feeling has grown so strong in Egypt that President Anway Sedat probably would meet little resistance here should be decide to jettison the Palestinian cause and work out a separate peace with Israel

But it is thought unlikely that

Mr. Sadat would dare do so,

although his espousal of Palestinian salf-determination is a obief obstacle in the stalled negotiations with the Israelis. If Mr. Sadat abandoned the Palestinians, he would also have to resignated his claim to speak for the Arab world and his concept of a durable peace settlement in the Middle East.

The distinction between the mainstream of Palestinians and the extremist fringes has been blurred in Egypt by acts of terror such as the murder on Feb. 18 of Youseff Sebal, the editor of the newspaper Al Ahram This was reflected by the announcement yesterday that Reynt was withdrawing privileges granted resident Palestinians for

more than two decades. Egyptians have been more than willing to believe reports

patched by the Palestine Liberation Organization to seize the terrorists ended up fighting alongside Cypriot troops in the battle at Larnaca Airport nine days ago in which 15 Egyptian commandos were killed.

The anti-Palestinian sentiment has risen visibly since Mr. Sadat undertook his mission to Israel last November and thereby prompted a resurgence of nationalism at home. Egyptians were particularly angered by the criticism of the trip by the PLO and by more radical Pal-

The Egyptians are quicker now to point out that they lost 100,000 lives in fighting Israel and have gotten in return Palestinien ingratitude. They have also lost patience with the

bickering among the Palestinian factions which they feel has added to Egypt's burden. A growing number of Egyo-

tians have begun questioning where their best interests lie. "We fought four wars and people wept and children became orphans, and all that was because of Palestine and the Palestinians," asserted Jehia Said. a university student. They do not deserve it. The Jews are

better than they are."
Mr. Sadat last Wednesday told an audience of Egyptian commandos that "Egypt is defending the Palestinian cause everywhere while the Palestinians go to the nightelubs and hire themselves cut as assassins and terrorists." The same day, at the funeral

for the commandos killed at (Continued on Page 2, Col. 5)

U.S. Begins Talks in Budapest **Over Special Trade Status**

-The United States has begun talks with Hungary on a comprehensive trade package of a kind still denied to Moscow.

Experts from the U.S. Departments of State and Commerce have been meeting here with officials from the Hungarian Foreign Ministry to assess the chances of giving Budapest most-favored-

The takes are within the framework of a new Washington policy of dealing with Communist nations separately rather than as a united bloc.

The United States has granted most-favored-nation status which gives foreign countries easier access to U.S. markets—to only three Communist states: Poland Romania and Yugoslavia.

Granting the same trading advantage to Hungary would end the only serious dispute remain-

Senghor Winner In Senegalese Presidential Vote

PARIS, Feb. 28 (UPI).-President Leopold Sengtor won reelection this week in Senegal in the first multiparty elections there in 12 years, according to press and diplomatic reports here.

Mr. Senghor's United Socialist party won at least 80 per cept of the 1.5 million votes and is assured of a majority in the 100-seat

However, proportional representation assures that the two other legal parties, the center-right Senegalese Democratic party and the Marxist-Leminist African Independence party, will get some representation.

Mr. Senghor, 71, a poet and popularizer of "negritude," his word for black self-awareness, easily defeated the only other candidate for president, Abdoulaye Wade, head of the Demo-

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Hospitable.

BUDAPEST, Feb. 28 (Reuters), ing between Budapest and Washington, now that the United States has returned the crown of St. Stephen to Hungary.

> However, the negotiations are complicated by a 1974 U.S. trade act amended by Congress to bar special trade status and financial credits to countries that restrict emigration. Apart from Romania, Soviet-

> bloc states followed Moscow's lead in refusing to guarantee unrestricted emigration in exchange for lower customs duties and more relaxed quotes as offered by the most-favored-nation privilege. Poland, a member of the Soviet

alliance, and Communist but nonaligned Yugoslavia received the status before the trade act became The Romanians issued a vague pledge that was taken to mean that Bucharest would not impede emigration. In fact, Hungary's emigration

policy has proved to be among the most liberal in Bestern Burope. But Budapest, which unlike Bucharest closely follows Moscow in foreign affairs, has refused to make the required pledges.

The Hungarians argue that such declaration would violate their own laws on emigration.

U.S. diplomats say that the first round of the talks here are being devoted largely to the problem of accommodating Hungary within the restriction of the trade bill. "We are talking to see where

we stand, a diplomat said.
"Agreement on a formula giving Hungary most-fevored-nation status on terms acceptable to both sides will be a matter of months, not weeks

No Enthusiasm

Neither side is showing much enthusiasm in the discussions so far, according to participants.

While acknowledging that the deal would stimulate trade—which rose 4.4 per cent last year to top 3192 million in total turnover-the negotiators realize that sales can be expanded without a new agree-

So why bother with the talks? For the Hungarians, it would mean a trade advantage over the Russians. The Americans could use it to mark their support for the more liberal policies of Hungarian leader Janes Kadar. But Hungarians are not entirely

pleased at this prospect. They point out that their first allegiance is to Moscow and that a "friendly pat on the head from Washington," in the words of a Hungarian Foreign Ministry offi-cial, "does not make our life "Sure we want [the special

status] but not at any price," he added. "There is itill a growing demand for our goods in the United States, even if they are expensive because of high Ameri-

The U.S. government also has reservations about pressing shead with the me "Congress is just not ready yet to act on [it]," said a U.S. offi-

cial, noting that the Senate would have to approve a trade treaty with Hungary. He recalled that several members of Congress went to court to prevent President Carter from

returning St. Stephen's crown and its accompanying regalta, The crown was given to U.S. forces during the clusting months of World War II and had been stored at Port Knox.

Secretary of State Cyrus Vance formally restored the crown—ven-erated here as the symbol of Huncials in Mogadishu, including Mr. Sied Berre, believed that he had sympathies with the Rome group, which, he said, is known

He insisted that he had remained loyal to Mr. Slad Barre OF TENNESSEE until his recall. He said, however, that he would now join the Someli exites working equinst the government of his support is

> "I wish them the best of luck," Defected Last Month.

Mr. Donele left his military

Special Rifle,

Laser Sight

Stolen in U.K.

LONDON, Feb. 38 (Rau

ters).-A special rifle equipped

with a laser-beam sight, de-

veloped for anti-terrorist use,

has been stolen from an ex-

hibition at the London Science

Museum, Scotland Yard haid

The police said that the

gun could not be made to fire,

but the laser sight could be

fitted to another rifle, mak-

The sight is worth about

£1,200 (about \$2,300). A

spokesman for the company

which makes the sight,

Scientifics and Cook of Lon-

don, said: "It's frightening to

think what someone capable

of stealing the sight from the

exhibition has in mind for its

Somali Group

Plotting Coup,

Ex-Aide Says

former Somali ambaissador who

defected to Kenya last month

said today that a group of So-

melis in Rome is plotting the oventimow of Somali President

Hossein Haji Ali Douale said

here that he was abduptly re-

moved as envoy to Kenya in

September by Mr. Sied Barre

and was sent to the front in

Ethiopia's disputed Ogaden re-

Mr. Dougle said that he sus-

peoted that high-ranking offi-

as the Somali Democratic Action

Mohammed Stad Barre,

gion to be "eliminated."

extraordinarily ac-

ing it

curate.

post in Ethiopia's southern Bale region isst month and defected to Kenya on Jan. 25. A Kenyan police official said that Mr. Douale's request for asylum was being considered and

a decision is expected soon.
"I am giad I left formalia while-Banne is in power, which I hope will not be very long," Mr. Double

Mr. Dousie said that he was summoned to Mogadishu for con-sultations in September, and, in a meeting with Mr. Siad Barre, he was told that he had been drafted into the army. "Specific instructions were

given to the commander at the front to see that I would not come tack sieve. This is a polite way of eliminating me," he said.

R. European Aid Cited

PEKING, Feb. 28 (Reuters),-A Someli government minister said today that military personnet from four East European nations have joined Seviet and Culour forces fighting for Ethiople in the Horn of Africa. Information Minister Abdulkasim Salad Hassan said here

that a Soviet-led victory over Someti forces would threaten witel supplies to Western Europe. He said that Ethiopians were acting only as guides and inter-preters for the Russians and Cubans in the disputed Ogaden

Hast Germans were in charge of communications and intelence while personnel from Bulgaria, Hungary and Czenhosiovakia had other unspecified roles to the fighting, he said.

Desert.

Egyptian Was an Enemy.

AFRICA MOVES—Apartheid seems to be fading into a sea of different-colored

faces on a bus in Cape Town. After years of total segregation, integration of

blacks, coloreds and whites on practically all bus lines in the city is a generally

accepted reality. However, a few all-white buses still operate on some routes.

Palestinians Cited Murder Aim

specially for that man, to kill him, because he was a friend of Israel and wrote some articles in his newspaper against the Palestinians," Georghics Georghicu, a Greek-Cypriot policeman, quot-ed Samir Mohammed Qatar as

No TV Star

(Continued from Page 1) Nixon's book because of what he has written." Mr. Brennan added that the David Frost helping to the memoirs was not the David Frost who interviewed Mr. Nixon on television.
Television's Dawid Frost was re-

ported to be in Australia. "San Clemente insiders," ac-cording to the Trib story, had "confirmed" their "exclusive" that were there in the guise of "copy

would be a correction of the mistaken identity. "Who says we made an error?" he asked. Informed that Grosset and Duhlap executives had said so, Mr. Saifir said "Oh."

involvement with the Nixan book

and Harned Roth, president of Grosset and Dunkap, which is scheduled to publish the hard-cover version of the Nixon book from 1.5 million to 480,000 words and is now getting a final goingover in Sen Clemente from Nancy Brooks, a free-lance copy editor from Houston, Texas, and David Frost, a fulltime copy edi-tor from Brooklyn, N.Y.

Lebanon and Syria Hold Security Talks BEIRUT. Feb. 28 (UPI) .-

Lebanese Foreign Minister Fusd Butros left today for Damascus for official talks with Syrian

NICOSIA, Feb. 28.—One of two Arab gunmen charged with murder admitted killing Youseff Sebai, a prominent Egyptian newspaper editor, "because he was a friend of Israel," a witness told a Nicosia court of inquest today. "We are Palestinians. We came

Mr. Georghiou told the court

Nixon's Frost

editors." Mr. Saffir was asked if there

The Trib also said that "Frost's

came as a complete surprise to many in the publishing field." It certainly did. And among the surprised were Mr. Market

May 15. The book has been cut

"It's a case of mistaken iden-tity," Mr. Markel said. "Our David Frost has been out there for months, doing his copy edit-

Our David Frost is a nice, quiet guy wino would, as my grand-mother would say, qualtish if a microphone was ever out in front of him," Mr. Roth said. (Quallish means "faint" in Yld-dish.) "But the whole mixup won't burt us when we go to sell the book. It's \$19.95 retail."

Haldeman Sted NEW YORK, Feb. 28 (IHT).-Debra Jenkins, a legal secretary in New York, has brought a suit to prevent H.R. Haldeman, former Nixon White House chief of staff. from receiving any of the royalties from his book "The Ends of Power." The suit says he discloses facts in the book which he failed to reveal during the Watergate investigation, Attorney Norman Cousins, who filed the papers for Miss Jenkine, who works in his office, said Haldeman "should not be able to profit by concealing the facts from the American public, and then telling those facts just to make a buck." The suit asks that profits from the book be turned over to the Treasury of the

The talks were expected to center on security measures necessary to avoid further clashes between Syrian troops of the Arab Lesgue peace-keeping force and elements of the Lebanese Army and rightest milities.

Witness Tells Cyprus Court

botel corridor. Mr. Sebai's murder set the

stage for a clash at Larnace airport the next day, during which 15 Egyptian commandos were killed. They were shot by Greek-Cypriot troops while trying to storm a Cyprus Airways plane. The Larnaca incident enraged Egyptian President Anwar Sadat. He strongly citized Cypriot Pres-

ident Spyros Kyprianou and severed diplomatic relations with Quater, 28, arrived on Cyprus on a Jordanian passport on Fab. 13. The other accused, Zayed Husseln Ahmed Alali, 26, arrived

Kuwaiti passport. The two man surrended immediately after the Lernaca air-port clash. President Kyprianou indicated to-

day that he hoped that Egypt and Cyprus could restore their previously close relations. Mr. Kyprianou was addressing

opposed as the successor to the late President Makarios, . Most of Mr. Kyprianou's speech

was devoted to a restatement of government's policy concerning a settlement with the Turkish Cypriots whose self-proclaimed Turkish federated state occupies nore than a third of the island.

UN Inclusion Urged In Disarmament Talks

GENEVA, Feb. 28 (Reuters) .-The Yngosiav president of the United Nations General Assembly, Lazar Mojeov, today criticized the United States, and the Soviet, Union for holding disarmament talks without consulting the UN. Mr. Mojsov said that negotiations such as the Strategic Arms Limitation Talks could be more successful if the UN were involved. He suggested that if the United States and the Soviet Union teach a new SALT accord, they

that Qutar made the statement to several hostages he and his alleged murder accomplice were holding at gunpoint in Nicosia's Hil-ton Hotel on Feb. 18, immediately after Mr. Sebai was shot in a

the following day, traveling on a

the House of Representatives after being formally sworn in for a five-year term. In presidential elections last month, he was un-

of principles, but "Im not hope-ful he can achieve it. If Begin

CAIRO, Feb. 28 (NYT).-Egypdan officials have generally concluded that there is virtually no declaration of peace principles with Israel before Prime Minister Carter." Menachem Begin's visit to Washington in two weeks to confer with President Carter.

Such a decisiration, which would open the way to a resumption of political talks between the two countries, is the primary goal of the current shuttle mission of Alfred Atherton jr., the Carter administration's special Middle East envoy, Mr. Atherton returned here from Jerusalem today with what were said to be Israeli

After meeting for an hour and a half this afternoon with Mohammed Ibrahim Kamel Egyptian foreign minister, Mr. Atherion confirmed that the future of the Palestinians was still the principle obstacle between the two sides. "In terms of the nego-tiations, the Palestinian question still remains the most difficult part of the draft declaration, And it is one we are continuing to give particular attention to," Mr. Atherton said.

Israel and Exypt have indicated that they see no point in re-turning to the political talks in Jerusalem, which were broken off six weeks ago, until there is agreement on a declaration of principles that would govern future peace negotiations. The declaration is considered a minimum condition for Jordan's participation as well: Cairo sources said that Mr. Atherton was also working on agenda guidelines that could bring the Jordanians to the talks.

Mr. Atherton said today that the process is continuing with serious intent. We are continuing our work. There is still work to be done. It is going forward and we intend to keep it going forward." But he offered no indication of progress in the delicate shuttle.

Egyptian officials have said that they respect Mr. Atherton for having undertaken the dif-ficult task of trying to reconcile the two sides so peace talks can resume. But they privately question whether he can bring the kind of pressure to bear on the Israelis that Cairo contends is

The feeling in Egyptism circles is that this is something that only President Certer can do. Egyptian diplomat said that he would like to see Mr. Atherton close the gap on a declaration

S. Africa Reports Biggest Exodus of Whites Since '60

JOHANNESBURG, Feb. 28 since 1960—when bloody anti-government demonstrations in black townships and political developments in general sent thousands of whites out of the combry according to official figures released today. The net loss of 1.178 white

emigrants last year was kept relatively low by the inflow of whites firing political and eco-nomic uncertainty and the guerrills war in neighboring Rho-

Figures released by the De-partment of Statistics showed that 26,000 whites left South Africa last year and 24,822 came to settle. Among the new settlers were 8.077 Rhodestans In 1976, South Africa had a

net gain of 40,209 white immigrants and in 1976 there was a net gain of 30,598. Lest year's net loss was the second negative figure since 1945.

Egypt Aides Not Optimistic on Atherton Effort Arab land. The irse has been sensitive for Catro because some is making any compromise, he is

not going to make it to Atherton. He will wait and do it with

Further Complicated

Begin Talk With Carter Seen Major Factor

Mr. Atherton's mission has been further complicated by the recriminations that Israel and Egypt have traded over the breakdown of political talks in Jerucalem in mid-January. The con-tinual sniping has noticeably aifected the possibility of future negotiations.

Mr. Kamel today lashed out again at the decision made by the Israeli Cabinet earlier this week to continue maintaining

of the settlements are to the northeastern part of the Sine! which Egypt wants returned Mr. Atherton said that the development had come in his talks with Mr. Kamei The decision of the Israeli rettlements is really a very dan-gerous thing," Mr. Kamel said.

The United States and all otherecuntries have sisted very clearly that establishing the settlements is an obstruction to peace. But even though we are now actually negotiating peace, the Israeli Cabinat has chosen this moment to confirm that they are obstructing peace by continuing with their settlements pol-

Korean Leader Backed Park, Ex-Legislator's Notes Show by Director Shin, then minister

(Continued from Page 1) obtained, Mr. Hanna implied that he was partly responsible for

Tongsun Park's role.
"As you recall," Mr. Hanna wrote, "I quite early suggested to you that Kores should have some unofficial base of representation with an understood and appra-ciated backing traceable to official source.

"I now congratulate you along with many others on your choice of representative and, at the same time, commend your encouragement and support which helped to produce an effective voice in Washington for the Republic of Korea.

Charles McNells, Mr. Hanns's attorney, acknowledged that the 1972 notes were in Mr. Hanne's handwriting but said that there is no indication whether they were mailed. Some words had been crossed over, suggesting that the notes were early drafts of

Mr. McNelis said that certain typewritten letters obtained by the Times had been mailed, including a long letter to President Park dated Aug. 27, 1974. Mr. Hanna arranged for federal investigators to obtain these documents without subpoena, Mr. Mc-Nelis said.

March Trial Set

Mr. Hanna, who has pleaded not guilty to bribery and congo on tried here March 20. In the August, 1974, letter, Mr. Henrik said that he and Tongson Park had written pro-

Korean etstements that other congressmen made at a House committee hearing on alleged human-rights violations in South Bores. Mr. Blacon told the South Korean President that such ef-forts showed "the success of

forts showed "the success

Mr. Tongsun Park's activities on your behalf in Washington." The Justice Department has at least \$103,000 from Tongsun Park between 1969 and 1975. Mr. Harma Pas said that he had a close business and personal relationship with Mr. Park and that he received \$60,000 to \$70,000 from joint business ven-tures with the Korean. Mr. Hanna

Mr. Hanna wrote that a congressman who agreed to submit a pro-Korean statement was Rep. Walter Flowers, D-Ale., now a member of the House Ethics Committee that is investig the influence-buying case, Rep. Flowers "was glad to as-

has denied that he received any

sist as he received vividity and gratefully the cooperation ex-tended to thin by Minister Shin [Jik Son] of your Ministry of Justice, now the new director, of the [Koreani Central Intelligence Agency," Mr. Hanna

"Several years ago, the con-gressman (Flowers) had a prob-lem involving a constituent and

paign efforts of Mr. Flowers at that time." Mr. Hanna's letter A spokesmen for Rep. Flowers said that he did not know what problem Mr. Hanna was referring to. Rep. Flowers submitted a pro-Korean statement in 1974

because that was his view, the

of justice. This heiped the cam-

okesman said. Mr. Flowers obtained informetion for his statement from Hanna because Hanna was considered one of the more authoritative members on Kcres. he added.

B's Los Angeles Times.

U.S. May Cut Morocco Sale

(Continued from Page 1) the sales. Others in the department felt that the United States should remain neutral in the Western Sahara dispute, which has involved Mcrocco and Mauretania against Algeria. The Algerians have made little secret of their outright support materially and politically of the Polisaric Last month. Mr. Vance suare

of differences in his department,

gave a tentative go-ahead to the

sale depending on the reaction of key members of Congress. Usually, once a decision to "consult" with Congress is made the administration has virtually decided to take that course of action. But, according to department officials, the Moroccan plan ran into sharp criticism from three important members of Congress: Sen. Dick Clark, D-Iowa, chairman of the Foreign Relations Subcommittee on Africa; Rep. Charles Diggs jr., D-Mich., chairman of the International Reigtions Subcommittee on Africa, chairman of the International Relations Subcommittee on International Organizations.

Police, Strikers Clash in Lima

LIMA, Feb. 28 (Reuters) .-About 100 persons were injured and 200 arrested in street fighting and demonstrations yester-day, the first day of a 48-hour Communist-led general strike Peruvian police said. Among those injured were

Germans, whose bus was stoned by shout a dozen strikers while on its way to Lima from the Birport The Communist-led 700,000member General Confederation of Peruvian Workers called the strike-declared illegal by the.

tourists, including Swedes and

military government—to back demands for higher wages and the reinstatement of about 4,500 men dismissed after a similar

Anti-Palestinian Sentiment on Upsurge in Egypt After Clash the Palestinians, it would court instability by driving them fur-

finential Arab allies such as Saudi Arabia, to whom the Palestinians would turn for re-Grounds Sought The Egyptian government is nonetheless trying to confirm

whether PLO gummen fired on the Egyptian commandes who launched the anti-terrorist assault at Larnaca Airport. Proof of their participation, Egyptian sources contend, would give Cairo grounds to withdraw its recognition of the PLO and look for others to speak for the Palestinians. There are likely to be more repercussions among Egyptians.

many of whom already suspect the PLO of complicity in Mr. Sebai's murder. In the current issue of the popular weekly news-paper Akhhah El Yom, the deputy editor, Ibrahim Seda, writes that "If it is proven that Arafat's men hilled a single Egyptian com-mando, I shall be the first to call on the Egyptien President to take hands off the Palestinian cause against Israel once and for all and I shall not be alone in

the Egyptian parliament, asserted Sunday that Egypt was continuing to back the Palestinians. The Palesthian cause just like

trime which took place in Cyprus," he said. Mr. Marri added that Egypt expected the Palestinians to stand up "against irresponsible elements harming the Palestinian cause." This was enheed yesterday by Premier Mamdouh Salem when he announced that the privileges granted Pelestinians living in Egypt would be withdrawn. He

said that the move did not mean that Egypt was backing away from its commitment to the Palestinan cause. But more than a few Egyptians have already wearfed of the cause. Those Palestinians that we helped have neither religion nor principles," said Mustala Saleh, who owns a small store, "Terrorism has flean deeply rooted in their souls to the ex-

tent that they are not able to

distinguish their every from

their friend."

Accession by PLO SERUT, Feb. 28 (UPI).—The PLO today accused Egypt of embarking on a Nazi-type campaign against the Palestinian neople. Egyptian Prime Minister Mamdouh Salem's abustve speech yes-terday stripping thousands of Palestinians of rights and privi-leges... is only the beginning of a campaign which may well reach a total Egyptian disassociation from the entire Palestinian cause,"

said in an editorial "It is the start of a Nazi-type" campaign against the Palestinian people in which the Egyptian regime is using all sorts of fascistic

the Palestine news agency WAPA

In 1960, 9,805 whites came to should report to the General settle but 12.705 left the country -s not has of 2,906

(Continued from Page 1) Lernaca, public outrage was directed more at the two Pal-. estinian terrorists who killed Mr. Sebai then at the Cypriot Na-tional Guertismen.

The upsarge in anti-Pales-tinian feeling has encouraged prejudice against the 30,000 Palestimans living in Egypt.

A Cake taxi driver named
Fareg talked last week about
local Palestinian shopkeepers "make fortimes and, while who take our money and get richer, their brothers kill Egyptions in Cyprus".

A 23-year-old manicurist in & ceanty parlor contended that Palestinians were being admitted to Egyptian universities with poorer grades than Egyptian students needed. Nagwa Mohsen in complained about Palestinian taxi drivers inher neighborhood who supposedly tried to raise their fares by 40 per cent "but all the Egyptians refused to pay Dalya Osman, a young house-

wife, reported that a friend had married a Palestinian only to discover a year later that he already had a wife and five children. "That's the kind of Palestinians I got to know, and for that and for their behavior against Egypt, I bate them all." the said. The strains between Cairo and

the PLO have already become

evident. On Friday PLO leader Yesser Arafat attacked Mr. Sedat

directly for the first time since

the Egyptian leader's trip to

larsel, charging him with inciting hatred against the Palestinians in

order to prepare Egyptians "to shed the Patestinian cross." Mr. Arafat also accused Mr. Sadat of welcoming back "the American octopie which is trying to impose an American Zionist peace on our nation." Mr. Sadat has generally ignored Mr. Arafat in the last few

months, although he did tell an interviewer last December that the Palestinian leader was a "wesk" moderate incapable of standing up to either Syris or the radicals within his own ranks. He has also pointedly omitted mention of the PLO in discussing the Palestinian issue, in an apparent ploy to leave the organization unsure about where it stands with Cairo, Yet so far the Egyptian Pretident has been careful not to

break with the PLO, which the Arabs have recognized as the sols votce of the Palestinians. Easy in December, Mr. Sadet severed diplomatic ties with the five Arab pard-line countries when they held a so-called rejectionist summit meeting in Tripoli, Libys, to protest his trip to Israel, but he did not take similar section against the PLO, which also participated. Mr. Sadat has consistently

argued that a comprehensive Middle East settlement is not possible unless it provides adequately for the future of the Palestinians. His evident goal is a stable Palestinian homeland on the West Bank, with a link to Jordan, that would not need to threaten Israel or the region. Rgyptian officials believe that, Cairo withdraw its support of

ther into the arms of Syrie and the Soviet Union. And it would harm the moderate Palestinian leaders that Mr. Sadat would like to see emerge. A separate peace, the officials say, would also complicate relations with in-

advocating this" Sayed Marel, the speaker of

Egypt, was the victim of the measures, the editorial said.

Inflation Increase Feared

Weekend Voting Will Decide Coal-Strike Settlement in U.S.

By Helen Dewar and Art Pine

Officials of both sides in the parable treatment. proposed coal-strike settlement returned here for briefings yesterday in preparation for a final found of selling by union officials before this weekend's vote by are due for renegotiation this 780 000 strikers.

The two groups met separately. one after the other, using the same room in a hotel. As expected, there were few clues to the outcome of this weekend'e tota. The companies are expectofficials remained cantious

Kentucky Gov. Julian Carroll who played a key role in the talks, issid that ratification of the contract now was "In jeopardy." Gov. Carroll said he hoped union senders would be able to sell the pack but said right now it had \$50-50 chance."

Anti-inflation Effort

The developments occurred as the White House-negotiated set-'Hely to undermine the admin-istration's anti-inflation effort. Although the miners' contract priditionally does not influence wage settlements in other indus-tries, analysts both in and outside the administration expressed fears that President Carter's special attention to the miners may prompt

Russia, Japan Seeking to Kill Sea Mammals

WASHINGTON, Peh 28 (UPI).

Japanese and Soviet fishermen want permission to kill more than 2,000 protected marine mammals in U.S. waters of the Bering Sea off Alaska, Commerce ? Department officials said today. Three Japanese fishing associations asked in November for permission to kill 1.010 animals in the sea lion and seal category and 11 other animals in the tategory of dolphins and whales,

the officials said. The Russians

in a Feb. 23 request, sought per-

mission to kill 1,507 seals and

ses lions and 8 animals in the dolphin category.
The Japanese have been critieised recently by environmentalists worldwide for rounding up and slaughtering 1,000 dolphins on Iki Island. "The permit would apply to marine mammals which -accidentally get caught in the of those animals which persist "in chewing on the nets or catch," said Dour Beach, a Commerce

Department biologist.

WASHINGTON Feb. 28 (WP) other union leaders to seek com-

Specifically, officials voiced apprehension that it may affect de-mands by railroad and trucking industry workers, whose contracts year. The White House last month proposed a new anti-inflation plan calling for moderation by workers and companies.

At the same time, officials conceded that the contract could boost steel and utility prices. The administration's cwn internal esdimates show the 37-per-cent wage boost called for in the settlement could push steel prices up \$3.70 a ton.

The impact on utility prices is somewhat less certain. Although most economists agree the increase nationally would be small analysts say utility costs could rise substantially in parts of the Midwest and West, where generating plants are almost entirely powered by coal

Special Factor

Jody Powell, the President's press secretary, said the miners' settlement stemmed from "special factors," and said the administration "does not view it as a model for other industrial settlements." He expressed hope the miners would ratify the pact.

The briefing sessions yesterday did little to allay apprehension over whether the miners will ratify the new contract. If the rank and file turns down the set-tlement in voting this weekend, some experts fear the strike could continue for several more weeks.

Immediately after the briefing for the coal-operation companies John Brennan, president of the Bituminous Coal Operators Association, said he had answered questions from the group's 130 member firms, and "I don't have any blood on my blue suit."

About 200 district and regional officials of the United Mine Workers attended the miners' session later. UMW president Arnold Miller offered no new assessment, but chided critics of the settlement. "How can they criticize [it] before they've even seen it?" he asked.

Genscher Sees Nyerere DAR ES SALAAM, Feb. 28 (UPI).—West German Foreign Minister Hans-Dietrich Genscher conferred for three hours yesterday with Tanzanian President Julius Nyerere on African conflicts, including the Somali-Ethiopian war in the Horn of

77.77



SURPRISE STOP-A Boston patrolman tries to calm his mount after it fell in a snow-covered hole in the Boston Public Gardens. The fire department came to the rescue of the 8-year-old stallion and police later said it was in "stable condition."

1,500 Persons Evacuated in Florida

Harmful Gases Slow Train Wreck Cleanup

By Jeff Prugh

YOUNGSTOWN, Fig., Feb. 28. -Following the chlorine and propane gas accidents here and in Tennessee, salvage crews and firefighters yesterday began sift-ing through the wreckage of a 102-car train that contains what an expert called "tha damnedest accumulation of hazardous fuels YOU EVER SAW."

It is painstaking, dangerous work. Authorities have evacuated 1,500 persons indefinitely from the area in the Florida Panhandle. About 100 specialists, some from Louisiana, Illinois and Canda, have been called in to empty a 30,000-gallon tunker that spewed poisonous chlorine gas Sunday, killing 9 persons and injuring 88.

Even then, the job will be only half complete. A propane-filled tank car, like the one that exploded and killed 12 persons last weekend in Waverly, Tenn., has a minor leak and is entangled among four hox cars. .

On Sunday in Milan, Tenn., 50 miles from Waverly, three rail-road tankers loaded with propone gas and caustic soda derailed. No injuries were reported in that accident, and residents were allowed to return to their homes after being briefly evacuated.

"It looks like a bowl of spaghetti," said Don Tullis, a Jacksonville Fire Department expert,

The clean-up crews, including some workers who came from Waverly, plan to defuse the chlorine tanker by towing it 100 yards and pushing it into a 10foot-deep pit of water and caustic tankers. Caustic sods neutralizes

Near the chlorine tanker is a 14,000-gallon tanker: filled with flammable turpentine, but that car is reportedly stable. Another derailed car contains ammonium nitrate, a chemical used in ex-

The work stopped yesterday afternoon for lack of a special pump and pineline to fill the mit into which the chlorine tanker is to be placed. It was to have been resumed this morning.

Doing It Right

"We're not going to be looking at our watches." Mr. Tullis said. We're going to do this very carefully and make sure it's right."

It may not be until tomorrow, Tullis said, that the specialists will be able to deal with the propane tanker. They have not decided, he said, whether to empty the propane car before untangling it from the other cars.

"The LP [liquid propanel] gas is not the problem that the chlorine

chlorine car is still dripping and vapors are getting loose."

Some of those vapors hampered workmen yesterday. One was treated for skin burns; another hecause his "lungs were burning." Investigators from the FBI and the National Transportation Safety Board said that they had not determined the cause of Sunday's dersilment.

Survivors' Reports Some survivors told of having seen motorists stagger to their deaths after the cloud of gas had driven them from their cars.

Donald Sellers, 27, and his wife, Judi, 24, of Tallahassee, Fla., fled their car when its engine stalled for lack of oxygen. They were nearly overcome but reached a pay telephone to call for help. They are in fair condition in a

Franklin Stewart, 27, a Bay County sheriff's deputy, said that became nauseated when he was taking gas masks and oxygen equipment to other rescue workers.

"My oxygen ran out," Mr. Stewart said. "I gasped for air and waded through a swamp. I was blacking out over and over. asked for my partner's oxygen, and that belped me get back to our car. Believe me, the Lord

(6) Los Aegeles Times.

Widespread Hazard in U.S.

Dangers for Grain-Elevator Workers Cited

By William Robbins NEW ORLEANS, Feb. 28 (NYT). -Employees in many of the nation's thousands of grain elevators face twin threats of sudden death from flery explosions or lingering ilmesses, according to workers in four states, industry experts and investigative officials.

And while grain elevators are considered hazardous under the best conditions, unnecessary dangers persist, the observers say, because many employers have been slow to install safety equipment or adhere to safety proce-

Both hazards remain widespread even though some companies stepped up their safety efforts after two explosions took 54 lives on the Gulf Coast in December, said workers in Louisiana, Minnesota, Texas and Wisconsin, four states through which much of the country's grain is moved for export. Grain inspectors, investigative officials and experts in and out of

the industry generally agreed.
"They call it the 'elevator laugh.'" said Henry Babbin, a laugh," said Henry Babbin, a longtime grain worker in the New Orleans area, referring to a cough that plagues those who labor in clouds of grain dust in the elevators—the same dust that is the principal element in the explosions. The "laugh" in many cases is a precursor of lung aliments

Breathing Difficult "I ain't got much breath left," said James McDonough, 54, who

has worked for 31 years in elevators around Superior. Wis. "I can't breathe very well, my kings are "I won't ever go into an eleva-tor again," said Akide Marquer,

describing a "bell of flame" that burst across the basement floor in an elevator in Galveston, Texas, in December.

That was one of the two Gulf Coast explosions that attracted national attention in the Christwere killed in Galveston and 36 in the explosion at Westwego, La. An investigative report charged recently that the Farmers Export

Thai Leader Expects Ties With Cambodia

SINGAPORE, Feb. 28 (Reuters). -Thai Premier Kriangsak Chamanand said today that, despite recent border clashes between Thailand and Cambodia, full diplomatic relations will soon be opened between the two coun-

Gen. Krianksak, speaking at a press conference at the end of a visit here, said that there was "good understanding between the higher levels in Thailand and

Co., which operated the Galveston on the size of the industry, but elevator, had willfully violated an expert, Prof. Richard Ginnold selety standards. A report on the of the University of Wisconsin, Louisiana explosion is pending.

Mr. Marquer and most of the other workers interviewed said that some companies and supervisors had a cavalier attitude toward potentially explosive concentrations of grain dust and sources of ignition. They also described the respiratory complaints among grain employeeseach cited former co-workers who had developed emphysema.

The core of the health and safety problems is the dust that emanates from the grain and rises in clouds whenever the grain is moved. At certain mixtures with air and under the right conditions of humidity, it is highly explosive, needing only a chance spark to set it off.

In the last 20 years, there have heen more than 140 grain-dust explosions, many of which caused deaths. In the same period, there were thousands of explosions and fires that were described as minor. There are no precise figures

Danes Campaign To Halt Smoking For 24 Hours

CCPENHAGEN, Feb. 28 (Reuters;.--Denmark was declared a mckeless nation yesterday—a 24hour exercise estimated to have cost. 15 million kroner (\$2.63 million) in lost taxes.

Pipe and cigar-smoking Tax Minister Jens Kampmann is a strong supporter of the campaign launched by the Danish Society for the Prevention of Cancer. Millions of pamphlets on the dangers of smoking have been circulated and smokers have been urged to send to the society the cash they would have spent on

The society is planning a weeklong campaign for next year.

UN Panel Holds Talks On Rights Violations

GENEVA, Feb. 28 (UPI).-The UN Human Rights Commission met today to discuss violations of human rights in at least five countries after three weeks of public debate on its three usual targets-Chile, Israel and South Africa.

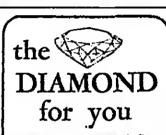
U.S. delegate Edward Mezvinsky said that he was hopeful that "for the first time a public statement will be made and action will be taken." Among the countries that will be discussed in a series of closed meeti ngs are Bolivia Emsterial Guines, Ethiopia Uganda and Uruguay, a Western delegate said.

has estimated that there are 225 .-000 grain workers in hundreds of port and rail-terminal elevators, thousands of feed mills and more than 10,000 smaller elevators. Robert Hubbard, a vice-president and safety specialist of Cargill. Inc., one of the country's largest grain companies, recently put the number of elevators at more than

Four recent medical studies, Prof. Ginnold said, found abovenormal prevalence of lung problems among grain workers. In one of these, University of Wisconsin medical researchers tested 306 grain employees from the twinports area of Duluth and Superior in 1974. They found that "there was a highly significant incidence of airways (respiratory system) disease-59 per cent."

The safety and health hazards are said to increase with the volume and activity in an elevator. with other variations according to the quality of safety equipment and procedures.

Elevators at ports, where grain from the interior is stored in silos and then moved into vessels by conveyor belts, bucket lifts and spouts, are considered the most hazardous, partly because of intense pressure to keep grain mov-ing. Any shutdown to correct a safety problèm or clean up hazardous dust can cost thousands of dollars.



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Vational #Airlines

Change and Ironies in Integrated S. Carolina

By Jim Hoagland

ORANGEBURG, S. C., Feb. 28 (WP).-Ten years ago, Harry Floyd slammed the door of his segregated All Star Family Fun Center and Bowling Alley in the face of a young black student named John Stroman and sparked a series of demonstrations here that ended with the gunning down of three black students by write state troopers.

This month, on the 10th an--iversary of what came to be called the "Orangeburg massacre." Mr. Stroman atood in the same aliev and sent his just ball spinning into the strike he needed for the highest score of his lifetime. A broad smile spread cross his, face as he called out

"Ol' Harry Floyd is all right."

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Mr. Stroman said later. "He has changed his whole view, you know."

Shoehorned into a tiny shopping center two blocks from this dusty farming town's Confederate war memorial, Mr. Floyd's fun center is decked with autographed photos of aging professional bowlers who pass through on tours. It also now has blinking electronic games to appeal to a younger generation. It is, in short, a totally incongruous symbol of racial reconciliation for a never South.

But in the decade that has passed since that spasm of violence, a wave of change has swept across the South and pulled Orangeburg, the bowling alley, Mr. Stroman and Mr. Ployd with

One of the results of that

change would not have been easily predictable for outsiders, but does not shock Southerners who know their irony-laced racial history. Mr. Stroman, the nominal black victor in the struggle over integrating the alley, has reaped bitter fruits from his labors, while Mr. Floyd, the white "loser," is reaping profits,

There are broader ironies in this story about Orangeburg. which intends only to offer glimpses into the passage through the civil rights era by some of the key participants in the 1968 struggle here. It is a passage that has not been uniformly smooth, and which is still for from complete, but which nonetheless mirrors remarkable change in a short

A new generation of black students has come to the campus of South Carolina State College, where the killings actually occurred. They continue to benor the fallen students as mariyes, but for many of them change been so drastic that the original cause of the propests seems distant and hard to no-

"That just would not happen today," said Kathy Edwards, vice-president of the college's student government, who was 11 at the time of the shootings. "People of my generation would just ignore such a bowling edey. Too many things are open to blacks now to wary about the ignorance of one individual."

As the campus marked the anniversary with a memorial service, a group of black and white teen-agers casually sat around the same table at a local Burger King and swapped complaints shout the teachers in their fully integrated high

Memories Too Fresh

For an older generation of black educators, "Orangelung" added greatly to the existing ambivalence in their positions, which required finely honed survivat tactics in navigating be-tween enraged black student bottles and suspicious white power establishments that held the purse strings. For them, the horror and the direct threat that the turnoil represented for their hand-won positions is still

"I go to educational meetings and there will be always be some one there who says, South Caro-line State—on yest, that's where those students were shot.' It is tragic they do not know that South Carolina State in much more," sald Maceo Nance, action president of the campus at the time of the killings and its president today. The school's student body is now 6 per cent

Integration has brought Mr. Nance a budding business career as well as confirmation as head of the college. But integration has also cut down many of the black teachers and professionals in the state educational system, a resuit that not only saddens Mr. Nance but also in his view presents a threat for the future of

The man who started the confrontation, John Stroman, is now

35, a teacher at a junior high school in a small town 30 miles from Orangeburg, and deeply disillusioned. He describes himself as a burned-out case and suggests that many of those who provided the first sparks of rebel-lion in civile rights challenges would up as much misfits in today's social environment as they were in the old, static one they

He has more praise today for his former nemesis, Harry Ployd, than for most leaders in the black establishment. "Ol' Harry will cash a check for me most times. That's more than a lot of them black folks who think I'm a troublemaker will do," he said. "Well, I was a troublemaker in my day, but they were the ones that benefited from it, And I got nothing to show." Wr. Stroman is also bitter that

the school immediately constructed a new administration building at the edge of the campus on the site of the killings.

"That ground is sacred," he said. "At Kent State, there has been a movement to keep them from chilterating their history with that gymansium. Here, people in charge just wanted to get on with business. They would have named the new gymnasium here for a white politician who got funds for the school if we hadn't protested and embarrassed them into naming it for the three students whose blood was shed for all of us."

Earlier Protests

Mr. Stroman was no strange to trouble when he decided to "bust" Mr. Floyd's bowling alley in 1969, against the advice of older and more established civil rights workers who said the fun center was not worth the trouble. A year hefore, he had helped organize protests against the campus administration at South Carolina and had been suspended from school briefly.

"When I came back to campus and told people how the Ployds had insulted all of us as blacks, people just knew they had to do something then, and not wait."

Two nights of protests triggered a decision by then-Gov. Robert McNair, who was hoping to be selected as Hubert Humphrey's runnig mate on the 1968 Democratic presidential ticket, to make a show of force. He ordered the National Guard and state troopers in to contain the demonstrations; instead, tensions mounted.

Mr. Stroman asserts that a severe beating at the hands of a policeman on the second night of demonstrations is the cause of eptleptic seizures he still has. The following night a group of state troopers opened fire on the stonethrowing demonstrators, killing the three youths.

"I can't get a job in this town," Mr. Stroman said. Everybody still says, oh, yeah, he's the boy who broke Floyd's window with a brick. I didn't do that but that damn brick will follow me around the rest of my life here. The colwork, so I have to drive 60 miles a day to teach in another town." Good Business

Ten years ago, Harry Floyd told the NAACP that he could not integrate his alley and survive financially because white customers would stop coming. Now, Mr. Floyd and other former seg-regationists are finding that good race relations make good business. Increasingly, his alley is depending on its 30 per cent black clientele for profits.

"Never had a hit of trouble since that one time," the lank, tacitum Floyd recalled. "Not one black has come along and made a smart remark or anything. No trouble from the whites, either." Business "was off for about a

the breeder." year but that wasn't racial," he continued. 'That was like what Institute is the research arm of the U.S. utility industry. With happens if there is a shoot-out up there at the Thunderbird Motel. You know, you just deckle you don't need to go around there for a while. But things headquarters in Palo Alto, Calif. It operates with an annual budget of \$193 million. are fine now. Everybody knows this town always had good race shall, the deputy chairman of Britain's Atomic Energy Authorrelations. That one time was just stirred up by a few outsiders. ity, described the civez process

But Analysts Are Skeptical Method Claimed to Guard A-Fuel From Arms publicly for the first time yesterday at an international energy technology meeting in Washington. They said that the pro-

By Robert Gillette

LOS ANGELES, Feb. 28.-Nu-

clear industry researchers from the United States and Britain

reported yesterday that they have devised a "dramatically

new" way of fabricating nuclear

fuel from plutonium that they

said would prevent terrorists and

governments alike from diverting

By leaving large amounts of

radioactive waste products in plutonium-based fuels, the re-

searchers said that governments

would need at least months to

extract the plutonium for use to

weapons, during which time other nations could detect such a diver-

Government and independent

analysis contacted by the Los Angeles Times urged that the

industry's claims about the pro-

cess be treated cautiously, how-

The possibility that some na-

tions might easily and quickly convert purified plutonium

stockpiled ostensibly for civilian

use—to atomic weapons led Pres-

ident Carter last year to urge the

world not to proceed with com-

mercial development of plutonium

technology until steps could be

taken to safeguard nuclear fuels.

fuel process dubbed "civer" in reference to its civilian rather

than military applications would

be a major departure in nuclear-

development strategies that many

countries have pursued during

Without Fear

benefit, its proponents contend,

of enabling industrialized and

developing nations alike to build

plutonium breeder reactors with-out fear that the technology also

would give many countries new

where we go with nuclear power," Dr. Chamcey Starr, president of

the Electric Power Research In-

stitute, said to an interview. "It

becomes entirely desirable to push

The Electric Power Research

Dr. Starr and Dr. Walter Mar-

access to atomic weapons.

the last 20 years.

Worldwide adoption of the new

it to atomic weapons.

MUSEUM PIECE—With a law, effective today, banning tobacco advertising in Fin-

land, this neon sign for Klubb cigarettes, once gracing a Helsinki street, has become

obsolete and part of history. It is on its way to the Finnish National Museum.

Praise and Skenticism

cess would take about 16 years to

develop fully

Arms-control analysts tended familiar with the concept, both in the Carter administration and outside the government, reacted with a mixture of praise and skepticism praise for what they said was evidence of new interest on industry's part in the problem of nuclear proliferation and skepticism that the civex process is as fell-safe as claimed.

"To be extremely cautious in drawing any conclusions at this point," said a chemical engineer with the Arms Control and Disarmament Agency, who pointed to several potential weaknesses in the process.

Similarly, Dr. Albert Wohlstetter, a strategic analyst with the University of Chicago, whose thinking has influenced the Carter administration's nuclear policies, said, "This is a very importent step for the industry toward recognizing the realities of proliferation. They're trying [to find solutions], though I don't think this does it."

Proper Heckups

Two government authorities on proliferation questions, contacted by the Times, were particularly skeptical of Dr. Starr and Dr. Marshall's claim that a civex fuel plant could not easily be modified to produce pure plutonium for

"I wouldn't make a dumb state-ment like it could be done in half an hour, but it probably could be done in a reasonably short time if the proper utility hookups were available," said an engineer who asked not to be identified. Arms control analysts tended

to be skeptical on two grounds. Moreover, experience has shown First, that the civex process that intensely radioactive nuclear would convey to a large number of countries basic plutonium-handling technology they could fuel can be handled safely and conveniently by remotely controlled equipment, the researchuse for an overt nuclear weapons program, if it seemed that the resulting international outery "If we're right, and if we're listened to, this changes comwere worth the trouble. pletely the arguments about

Second, several experts said it seemed possible that pure, weapous-grade phrionium could be drawn surreptitiously from a civex plant with small modifications. A chemical engineer said that half a dozen devices called mixersettlers, each the size of a small office desk, might be moved into a plant quickly or even built into the walls covertly. "With very little effort," he said, "I think you could pull out weapons-us-

Although a press release about yesterday's news conference de-scribes development of the civex process as a "joint British and United States initialive," Dr. Starr acknowledged that neither government has endorsed the idea

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ANNE BANCROFT

or given financial support for its development

However, Joseph Nye, the State Department's senior adviser on nuclear matters, said the idea deserved careful review by the international fuel-cycle evaluation program, a 40-nation study of proliferation problems convened last year at DMr. Carter's suggestion.

Das Angeles Times.

Carter Reports on Plan WASHINGTON, Feb. 28 (NYT). President Carter reportedly told the nation's governors yesterday that his "comprehensive" new plan for disposing of radioactive waste from nuclear power plants would be ready by the end of the year, an action that would speed development of nuclear DOWET.

But a majority of governors urged even greater efforts to facilitate nuclear power development and a review of the President's opposition to the reprocessing of spent fuel and to "breeder reactors."

The National Governors' Asso ciation, which is holding its annual winter meeting here, met in a closed session with Mr. Carter yesterday afternoon to discuss energy policy and to ask for greater emphasis in federal policy on production of energy sources

Strike Called In Building In Nicaragua

Death Toll in Violence At 13. With 70 Injured

MANAGUA Feb. 28 (AP. __ Nicaragua's 2,000 construction workers today announced a oneday strike for tomorrow as tension and violence continued following a new refusal by President Anastasio Somoza to resign before his term ends.

Thirteen persons, including a National Guard sergeant, have been killed and more than 70 wounded in three days of gun battles between leftist guerrillas and guardsmen. Rioting and demonstrations have broken out in half a dozen cities.

A spokesman for the General Confederation of Labor said the construction strike was intended to protest brutality by the National guard in putting down the

He said the strike was scheduled for 24 hours but may continuc for more time "depending on how developments occur." He also said a number of businesses and industries may join the

Students Leave Campus

More than 500 trapped students were allowed to leave the University of Nicaragua campus last night after a confrontation with the National Guard, the nation :

Three students and a professor were killed and two persons injured st the campus.

Prof. Eric Landon said the guard allowed the students to leave. Earlier, the guard fired submachine guns and rifles at students who marched off the campus demanding Gen. Somoza's resignation.

Gen. Somoza said Sunday he will not relinquish power until his term expires in 1981. The President whose family has ruled since the U.S. Markes handed over power in the 1930s to his father, promised that a select committee would investigate the Jan. 10 slaying of political for Pedro Josquin Chamorro, a newspaper publisher, Mr. Cha-morro's death set off rloting and a 17-day work stoppage.

Guardsmen cordoned off the cities of Massya and Diriamha folioking Sunday's violence,

Mrs. Carlota Potesme, a resident in the Indian neighborhood of Mcnimbo in Masaya, slipped through a National Guard cordon and reported that there had en a gun battle yesterday.

Obituaries

Physicist A. I. Alikhanayan

(UPD). -The Soviet press today reported the death of Artem L Alikha-mayan, 69, a nuclear physicist. The daily Kommunist of Yerevan in Soviet Armenia said that Mr. Alikhanayan died Saturday after a long illness.

Mr. Alikhanayan studied at Leningrad University and in 1931 began work in nuclear physics

ILO Chief Wins A Second Term

GENEVA, Feb. 28 (NYT) .-Francis Blanchard was re-elected today for a second five-year term as director-general of the International Labor Organization,

a United Nations agency.

Mr. Blanchard, a 61-year-old
Frenchman, has been with the 134-nation ILO since he joined it in 1951. His new mandate becomes effective at the end of next February.

The director-general was re-elected by a secret vote, 51 to 1 with I abstention, of the agency's executive council. The United States has not been replaced on the council since it resigned in November in protest over what it viewed as an excessive "polit-icization" of the ILO discussions.

and cosmic rays with his brother

physicist Ahraham Alikhanov. In 1934, with his brother and M. S. Kozodayev, he discovered the emission of pairs of positrons and electrons by energized nuclei. In 1939, he began re-search which resulted in the discovery of varitrons.

In 1943-45, he and his brother eet up a cosmic radiation station on Mount Aragats which resulted in the discovery of narrow showers in cosmic rays. Mr. Alikhaoayan was twice awarded the Stalin Prize, in 1941 and 1948.

Allan R. McCann

SAN DIEGO, Feb. 28 (AP),-Retired Vice-Adm. Allan R. Mc-Cann, 81, who directed the rescue of 33 persons from the trapped sutmarine Squalus in 1939 and who was named commander of the Pacific submarine force in 1946, died last Wednesday.

Accidents Near Milan

MILAN, Feb. 28 (AP).—A driver was killed and at least 15 persons were injured yesterday were involved in fog-caused collisions on the autostrada south of

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In New Technical

Monkey Fetus Is Removed and Returned

There are lots of seals there, perhaps the largest colony (180,000-250.000) around.

By Victor Cohn WASHINGTON, Peb. 28 (WP). Using a surgical technique that could one day help human bables, scientists are taking monkey es from the womb, operating

on them, then returning them to

their mothers to be born at the normal, time The federally financed research which practitioners say could lead to dramatic repairs of human abnormalities before birth. is being done at two Washingtonarea laboratories and one at Har-

verd University. The technique's success undercuts the belief that if a womb is cut open a pregnancy will usually

"That isn't true," Edward Taub, director of this work at the private, nonprofit Institute of Behavioral Research in Silver Spring Md., said last week,

Brought to Normal Term "We've removed some fetuses two-fifths of the way through gestation, kept them on the operating table for nearly two hours for our studies, then

"I think the old essumption was that, if you opened the

brought them to normal term,"

kept animals alive three years after birth. This is like nine years in a human being. These animals remained entirely normal except for the deficits [inturies] we induce in our operations to learn about fetal development.

"There - was no indication these animals would not have led perfectly normal life span." Now, he added, "I think we're on the verge of a new era of what might be called 'fetal neuro-psychology,' or the study of the way the fetal nerve system and brain develop and produce be-

other fetal developments in ways that would have been impossible by other methods. So the field may become not just the study of the brain and nerves but one covering all areas of fetal growth and, in time ways to correct normal infant.

Two Decades of Effort Getting to this point has taken nearly two decades of effort. The first work was done in the early 1960s by two professors of ob-stetrics, Dr. Albert Plentl of Columbia University and Dr. D. L. Hutchinson of the University of Pitteburgh, Both brought some monkey infants to normal birth

Bell Helicopter Investigated On Jamaica Commission Fee

By Judith Miller

WASHINGTON, Feb. 28 (NYT). -The Eccurities and Exchange Commission is investigating another allegation that Bell Helicepter a subsidiary of Textron, Inc., has made questionable commission payments in connection with the sale of helicopters to Jamaica in the early 1970s.

anava

According to sources familier with the investigations by the Senate Banking Committee and the SEC into Textron's overseas payments, the agency's inquiry was prompted by a civil suit filed in U.S. District Court in Fort Worth. Texas.

The way in which William Miller, chairman of Textron and President Carter's nominee to head the Federal Reserve Board, has managed the company is being examined in confirmation hearings by the Banking Com-

Members of the banking panel said yesterday that what Mr. Miller knew about overseas commission payments and what he should have known are legitimate areas of inquiry affecting his suitability to head the Federal

Committee Vote Set

The Banking Committee agreed to vote tomorrow on the nomination of Mr. Miller as Fedtrai Reserve chief the AP re-

Most members of the committee have stated that they found no evidence that Mr. Miller was involved in or knew of imprope commission payments by Bell.]

The suit, originally filed in 1974, charges Bell Helicopter with monopolizing helicopter sales in Jameics, restraint of trade and commercial bribery. The action was brought by the Nunes Trading Company Ltd., Bell's former sales agent in Jamaica, which is represented by the law firm of Price and Williams of Austin, Texas, David Nunes, a Jamaican citizen who heads the trading concern, has charged Bell with breach of contract and is seeking \$100,000 in damages.

The allegations concerning Bell's mies tactios in Jamaica are mong several Textron operations

being examined by the SEC. Others include the use of "push money," alleged false billings, "accommodation" and other questionable payments by several Tex-

The Senate committee heard conflicting testimony regarding a questionable \$2.9-million commission payment made by Bell in connection with the \$500-million sale of 489 helicopters to Iran in the early 1970s.

The committee's six-week investigation of the payment has produced evidence indicating that Gen. Mohammed Khatemi, the late chief of the Iranian Air Force and the Shah of Iran's brotherin-law, was a secret owner of Air Taxi, Bell's agent in Iran, and that the general might have received part of the commission for his help in obtaining the con-

Canada Urges **UN Panel Study** A-Units in Space

UNITIED NATIONS, N.Y. Feb. 28 (AP).—Canada proposed formally yesterday that a UN panel he set up to study the possibility of limiting nuclearpower sources aboard spacecraft.

The object of such limitation would be to avoid the danger of accidents such as that when a nuclear-powered Soviet spy satel-lite fell apart over northern Canada on Jan. 24 and scattered radioactive fragments.

The proposal called for the UN Outer Space Committee's scientific subcommittee to set up a special working group, open to all 47 member countries, on "ques-tions relating to the uses of nuclear-power sources in outer

Canadian Ambassador William Barton submitted the working paper to the subcommittee. A member of his mission, who would not be quoted by name, said Japan and Sweden had joined in drafting it and 28 subc members supported it.

9. Homesick. (Another good reason to call home.) An international call is the next best thing to being there.

But the largest sustained effort with a high degree of successboth in keeping the fetuses alive and advancing knowledge—was made by Dr. Ronald Myers of the National Institute of Neuro-

legical and Communicative Disorders and Stroke, part of the National Institutes of Health in Starting in 1964 at an NIH laboratory in Puerto Rico, Dr. Myers and his colleagues did fetal surgery on "from 25 to 30" developing monkeys, with what he described last week as "a success rate varying from 40 to 70 to 80 cent." That is, that many of

the fetuses were brought to nor-

mal birth with the number vary-

ing according to the rigors of the

Dr. Myers's goal was not just survival, but knowledge. For example, he clamped the umbilical cords of fetal monkeys halfway through gestation. According to a report in Science magazine, he was thus able to study the effects of depriving the brain of oxygen.

The effects included severe damege to the placenta, the organ through which the mother and fetus exchange many materials Dr. Myers showed that unde primate babies almost certainly ockeding human bables, since humans are primates are not necessarily premature bables but are sometimes bables who have

Dr. Myers taught the technique to Dr. Taub. Now Dr. Taub, with Drs. Gilbert Barro, David Martin of Litton-Bionetics Laboratories in Rockville, Md., and Michael Goldberg of the Medical College of Pennsylvania, has done fetal surgery on 36 developing monkeys, with a 33-per-cent-success rate.

By cutting various nerve roots the Taub group has abolished sensation from different parts of the developing body. And it has learned that—despite the loss of sensation and sensory feedback— these monkeys as infants exhibit normal limb movements.

"In short," Dr. Taub said, "we've learned that these motor patterns do not necessarily depend on sensory feedback, as often pro-posed, but are instead parts of the animals' genetic endowment."

Dr. Taub taught the method-ology to Dr. Patricia Goldman, who is part of a National Insti-tute of Mental Realth group working at NIH.

The group is removing parts of the fetal brain to study effects on later learning, and has found that even when much of the prefrontal cortex, an area considered vital to learning, is removed (at the two-thirds point in gestation). the monkey infant can later learn normally.

Development of Vision

Dr. Pesko Reicic of Harvard Medical School has studied the development of vision in fetal monkeys. But the number of reople doing fetal surgery is still few," Dr. Myers said. "I think it has a great deal to do with the fact that federal funding of research today is too low. I think a lot of people don't have the money to take advantage of the

Dr. Taug predicted that "it is only a matter of time until someone moves to trying to repair human fetal defects, for example, spinal defects and related neuro-legical problems."

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After Braniff Service Is Blocked

CAB Plans Reprisal for British Air Veto

By Ernest Holsendolph

WASHINGTON, Feb. 28 (NYT). Caught in a policy dispute between the British and U.S. governments, Brazili Airways appeared vesterday to have lost its chance to begin Dallas-to-London flights tomorrow as scheduled

Following the refusal by British sutherities to approve lowcost flights to London by Braniff, the Civil Aeronautics Board last night instructed its staff to precare a plan to "take reciprocal. action" against British air carriers. Braniff cannot start its flights without British approval. · Since actions affecting inter-

national fares must be approved by the White House, the board ordered only that the proposal be drawn up by its staff. The CAB action is the strongest that it may take and ultimately the dispute must be settled between the Carter administration and the British government.

The necessity for intergovernmental negotiations so close to tomorrow's deadline appeared to make it highly unlikely that Braziff could start its service as

The fare dispute between the United States and Britain has been simmering for mouths. The British have opposed the trendsupported by the Carter administration and the CAB-toward reduced fares.

The Americans argue that lower prices will build volume, attract more passengers and eventually compensate for the profit-depressing effect of fare cuts.

The British, however, charge that the Americans are proposing a "giveaway" that will destroy the U.S. companies and damage overseas carriers who must compete with them.

U.S. air carriers have protested the British resistance to reduced fares, saying it violates the transatlantic air service agreement that was signed last year after much wrangling by the United States and Britain.

CAB sources say that the proposed U.S. retaliation could be taken against British Caledonian Airways, a private carrier that serves the United States and has been among the most vocal of those opposing reduced

In another action yesterday, the CAB refused to expedite action on a Braniff counterproposal to raise its proposed fares on the London route, a move that would be more pleasing to the British, so that service could begin to-MOTTOW

Braniff was awarded the Dallas routes to London earlier this year in a highly disputed decision in which the White House overruled a proposal by the CAB

Labor Group Protests Detentions in Tunisia

BRUSSELS, Feb. 28 (AP) .-The International Confederation of Free Trade Unions amounced yesterday that it has lodged a formal complaint with the Interna-tional Labor Office in Geneva following the detention of about 100 trade union leaders imprisoned after the general strike in Tunisia on Jan 26.

The trade union organization said the detainces were not allowed to see their lawyers and that their cases are being handled by the police. It added that they are being held without

to give the routes to Pan Amer

ican World Airways. Pan American, which had be backed for the route by the CAB because of its well-developed network of routes oversess, was rejected in favor of Braniff because the White House said Braniff had feeder lines in the southwest United States that could supply domestic volume to London.

Sources at the CAB say that the proposed fares by Braniff are about six per cent lower than those advocated by the British and that they include a low standby roundtrip fare of \$349 between Dallas and London. The result of the board's ac-

tion," the CAB statement said "is to continue in effect Braniff's authority to begin service on March 1 under the proposed low

Pan Am Seeks Routes

HOUSTON, Feb. 28 (UPI).-Pan American applied today for CAB approval of new domestic and overseas service as well as reduced overseas fares from Houston, an official announced.

as one of the major U.S. gateway cities on Pan Am's worldwide route system," said the Pan Am vice-president for marketing, Dan

Pan Am's only current Houston Mexico City. Mr. Colussy said the airline

proposed to etart Boeing 747 service from Houston to London's Heathrow Airport on July 1. He said other plans call for linking Houston with Asian and South American cities so that Pan Am will become "the No. 1 international carrier at [Houston] Intercontinental Airportbringing the world to Houston."

The world's

No 1 Scotch whisky

"I have flown on most airlines world-wide and find Lufthansa second to none."





Published with The New York Times and The Washington Post

Page 6- Wednesday, March 1st, 1978 *

The Unsettling Settlements

The decision of the Israeli Cabinet to continue its policy of creating and expanding settlements in occupied territory adds to Mr. Atherton's problems in shuttling between Cairo and Jerusalem in an effort to secure agreed principles for peace negotiations.

The settlement problem has often been bogged down in words and names, such as "illegal," "duplicitoos," "security" and "Judea and Samaria." They are all vital to any discussion of the issue, but they do avoid its core. And they can involve lengthy and complicated contradictions, judicial and historical.

The heart of the settlement question is just what they represent in terms of Israeli conditions for peace. To the United States government, they signify sticking points, firmly rooted in an area that the United Statesand the United Nations-bas considered should be abandoned by the Israelis, with only some alterations for secure boundaries. The Arabs would eliminate those alterations.

There has been some suggestion from the Israeli side (and the United States has also considered the point) of having a kind of gray area of sovereignty near the Israeli border; the settlements might conceivably be fitted into such a concept. But the Arabs do not show any interest in this proposal, and there are some harsh practical factsrevealed painfully in Lebanon—that hostile neighbors need high walls.

Moreover, if the Palestinian state is to emerge, the West Bank settlements would hardly survive.

Thus the settlements, whether legal or illegal, are an obstacle to peace. It is an obstacle that might be overcome-but hardly if they multiply while negotiations are supposedly under way. And the issue, so far as the United States is concerned, thus forms a block to its role as honest broker. The new and expanding settlements are acts that preempt the function of the principles that the United States - and both Israel and Egypt have accepted that thesis-would like to see stated as the basis for genuine negotiations.

The role of the United States is not, of course, solely that of broker. Both sides demanded active support—the Israelis to strengthen their position, the Arabs to pressure Israel into concessions. And the United States is committed to the maintenance of an Israeli state, which many Arabs want eliminated. So, increasing the number and size of the settlements, before there is any international sanction for their existence, will necessarily play a part in determining American attitudes, not only toward a final settlement through negotiation, but toward the participants in those negotiations.

Given that situation, and considering the virtual isolation of Israel internationally at this critical time, the Israeli government has not contributed to its own security or to its own hopes for the future. The Arabs are divided, bitterly in many cases. The policy regarding the settlements, formally and openly stated, can only weaken the moderates and strengthen the intransigents. The standing of the United States, whether as broker or friend of Israel, has been under-

Our Vietnam Duty Is Not: Over

The horror that was Indochina seems never to stop. Thailand, it is now confirmed, has been returning hundreds of Laotian refugees to Communist Laos. The shooting to death of a Lactian woman and her two children was observed last week by the Thai officials who had forced them back across the border. Other returnees have been taken away at gunpoint—at the least for imprisonment.

The Thai government bears a heavy responsibility for these forcible repatriations. which have been protested both by the United Nations Refugee Agency and by the United States. But American responsibility

More than 100,000 Indochinese refugees, 82,000 of them Laotians, are now in camps in Thailand. Thousands of others have avoided the hardships of life in such camps -where a 20-cents-a-day rice diet is provided by the United Nations by competing for jobs with the poorest Thais. As the numbers rose, the Thai government warned that it would not continue to provide haven indefinitely if the United States and others failed to provide offers of permanent asylum amounting to at least the numbers of new refugee arrivals. We have failed to do so.

Since the United States first admitted. 135,000 Indochinese after the fall of Saigon in 1975, it has assisted in refugee emergencies on three occasions. It agreed to take 11,000 more in 1976, about 15,000 in 1977 and 7.000 so far this year, almost half of them Vietnamese 'boat people." But no sustained policy to deal with the exodus from Indochina and to reduce the numbers in That-

land has yet been proposed by Washington. With no permanent haven in sight. other Southeast Asian countries are refusing to admit even temporarily the Vietnamese fleeing by boat. Leaky vessels have been forced back to sea; passing ships, mider instructions from their owners, have denied rescue even to sinking craft, contrary to all tradition and elementary decency.

All the while Rep. Eliberg of Pennsylvania. the chairman of the House Immigration Subcommittee, has been pressing the administration to accept a highly restrictive immigration quota. He has thus helped discourage the White House from a generous use of the President's "parole" authority, which permits the admission of any number of refugees from Communism in emergencies. And the procedures for interviewing and clearing refugees have been applied so meticulously that only a small number of those in Thailand's camps have been declared eligible to enter the United States.

The administration should move urgently in three directions. It should use the parole authority to admit not only boat people but much larger numbers of camp people from Thailand. It should ease the criteria for admission, to take refugees other than those with close relatives in the United States or those who have been endangered by direct participation in the Indochinese war. And it would press for amendment of the Eliberg bill, vowing to use the parole authority broadly until Congress adopts a generous

and flexible admission formula. THE NEW YORK TIMES.

The Horn: Four Questions

First question: Can the United States actually do much at this very late time about the very large Soviet-Cuban involvement in the Horn of Africa? No. Direct American intervention is a fantasy. It doesn't look as though Washington, even through its worried friends in the region, can muster enough force to prevent Ethlopia from defeating Somall troops in the Ogaden region and secessionists in Eritrea Province. The Soviet foray is no help to the general East-West atmosphere, but, still, the United States has good reason not to hold other interests like SALT hostage to the Horn.

Second question: How, then, should the United States treat the Soviet-Cuban intervention? However forlornly, it has got to recognize that the principle of territorial integrity in whose name the Kremlin is intervening is accepted by all but about two (Egypt, the Sudan) of the 50-odd members of the Organization of African Unity. They are not equally happy to see Communist power deployed on an African battlefield. But as long as Moscow confines its particlpation to clearing Ethioplan territory of invaders and rebels, they'll go along. To keep pointing up the geopolitical dimensions of the Soviet intervention, or to start loosely. linking It to other East-West issues, as some White House officials in particular now are doing, is to miss the key African point. It is also to advertise American incapacity.

Third question: Does that mean the United States must simply sit quietly and be gored? No. American officials should call international attention to the Russians' repeated piedge, and to the Ethiopian government's cwn recent pledge to a Carter emissary, to fight only to the point where Ethiopia's territorial integrity is restored. Their promise not to take revenge thereafter on Somalia is one which the United States, and the whole of the OAU, for their separate reasons, share a strong interest in seeing upheld. This means the Russians may indeed reap what gains in prestige and presence come from backing a winner. But it's not the end of the world. If Moscow takes this prize, nothing in its overall African performance suggests it will keep it for long. Occasions should be sought to continue the modest steps taken so far to show that the United States would appreciate a nonaligned

Ethiopia. -Last question: Will that be the end of the Russians in Africa? Hardly. With a new intervention capability to test and flaunt, and with no important domestic drag on policy fancies, the Russians are clearly determined to have their run. The next likely place is Rhodesia, where they would enter In support of the only goal-"liberation"that is more meaningful to most Africans than territorial integrity.

THE WASHINGTON POST.

In the International Edition

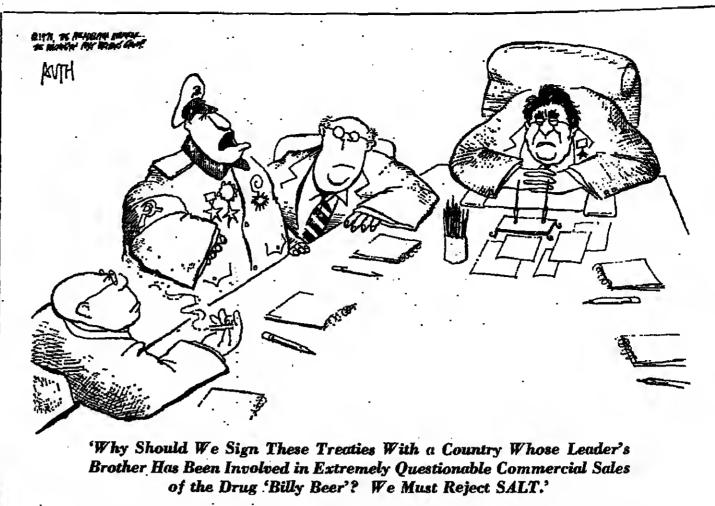
Seventy-Five Years Ago

March 1, 1903 NEW YORK-Reports from Mexico state that the great voicano Popocatepeti bas been bought by a group of American financiers, including the Standard Oil Company, for 85 million. The mountain was bought for its suifur content. It just might be a good investmeat, because though it continues to throw up great jets of hissing steam which deposit layers of pure sulfur, it has not indulged in any violent outburst in the memory of man.

Fifty Years Ago

March 1, 1938

FRINCETON, N.J.—Princeton graduates of the class of 1877 have their own theory on longevity. Get married to live long, they advise. This was revealed in vital statistics of the class, published in the golden anniversary book, just off the press. Forty-two per cent of the married members are still alive, and Only twenty-five per cent of the bachelors survive the book sars. Doctors and journalists of the class lived the shortest thes.



Opportunity for U.S. Energy to Go Nuclear

By Joseph Kraft

WASHINGTON—Coal is dead. Long live nuclear power—and safely. That is the underlying meaning of the marathon coal strike for the country's energy problems. So it is good news that there is being announced this week a new technique which divorces all-out nuclear production from proliferation of nuclear

For several years now, coal has been at the center of the country's energy strategy. Thruston Morton, the top energy man in the last administration, called it "America's ace in the hole." President Carter's National Energy Plan prescribes a tripling in coal production by 1985.

But the strike demonstrates that the extensive practice of underground coel mining is not truly consistent with the sensibilities of an advanced industrial -or, as Daniel Bell puts it, a "post-industrial" — society. The work is dangerous, dirty and hard. Those who undertake it demand privileges which go beyond the usual reward of high wages.

The coal miners seek oldfashioned, individual freedom. They don't want to be pushed around by management or labor or government. That is why there is an anarchic union forced by its members to demand the right to have wildcat strikes without any serious penalty against wages, employment or health and pension benefits.

Patience, Prayer

The post-industrial society affords tolerance, if not universal support, for these demands. So the Taft-Hartley Lew couldn't be made to work, and a seizure of the mines would have encountered-and still might encounterstrong congressional opposition. The President in these circumtences has had as his chief weapon patience, and a prayer that, after the operators gave way, the miners would accept their surrender. Theoretically the problems of

Eastern coal could have been solved by Western coal For the seams in the Rocky Mountains lie close to the surface and do not require underground mining. But a feature of the postindustrial society is sensitivity to environmental problems. An-

Letters

Flu in Russia

Jan. 31) a report of alleged mor-

tality experienced in the Soviet

Union from their recent outbreak

of influenza. I'm afraid first of

all that your reporter confused

morbidity, which refers to sick-

ness, and mortality, which refers

to death. There was very little,

if any, significant mortality re-

lated to the epidemic in the

I presented at the conference on influenza in Washington on Jan.

30, referred to an estimated mor-

bidity in children less than 14

years of age in Leningrad for the epidemic in that city. That

is, about 30 per cent of children

were estimated to have had in-

fluenza, not to have died from

influenza. The morbidity, or case

rate, for the Soviet Union in all

ages was estimated by Soviet

health officials to be between 7

and 10 per cent, considerably less

than the average influenza epi-

It is imperative that you cor-

rect any false impression your

readers may have gotten: the

influence epidemic in the U.S.S.R.

was a relatively mild one and not

associated with significant excess

MICHAEL B. GREGG, M.D.,

Deputy Director.

Bureau of Epidemiology.

Center for Disease Control.

Save the IQ Tests

151 concerning IQ tests is very

troubling because he seems to

imply they are not generally use-

A careful reading of his piece

Prof. Albee's article (IHT, Feb.

demic for that country.

The figure of 30 per cent, which

I note with great dismay CHT.

other feature is high concern about unemployment.

These two concerns have combined to shape the latest cleanair regulations. The new rules require that 90 per cent of the sulfur content be removed from coal before the waste is emitted. That discriminates against Western coal, which is so low in sulfur content that it would not ordinarily need any special treatment As a result, Western coal will not be competitive east of the There will be no Western coal rush.

Nuclear power, by contrast, is free from all these social constraints. It is cleaner, cheaper, safer and more reliable than coal. The most progressive power producers in the country have long since gone over to miclear reactors. A notable example is the Tennessee Valley Authority, which - having ied in hydroelectric power during the 1930s and coalfired plants in the 1950s—is now going nuclear in a big way. Association with nuclear weap-

ons, to be sure, has generated a good deal of public apprehension about nuclear power. Though polls and referendums show an overwhelming part of the population favorable to nuclear power. many citizens and political leaders of unquestionably high motivation oppose and successfully locating nuclear power in major population

But that problem can be met by placing the plants on government reservations or in nuclear parks. Thus the Hanford Nuclear Reservation in the central part of the state of Washington is being used for building three reactors due to provide power to the populous areas around Seattle and Portland. California could also have a piece of that action if Gov. Jerry Brown would be sensible about his state's overwhelming energy difficulties.

Waste Disposal

A second worry is disposal of nuclear wastes. There has been undoubted eloppiness in disposing of the nuclear wastes from military programs. Though no damage has been done, some of the radioactive material has leaked from containers stored at Hanford. But that can easily be

remedied-and indeed is being remedied-in a crash program for stashing the stuff in new containers.

The problem becomes much smaller if this country begins moving toward reprocessing plants and breeder reactors which use spent fuel to generate more nuclear fuel. President Carter had turned away from that path because reprocessing generates weapons-grade material and thus might promote proliferation of nuclear bombs. His hope was that if the United States went slow. France, Britain, West Germany and Japan would follow suit.

They have not-but the delay has yielded a dividend. Scientists in Britain and this country have developed, and are announcing this week, means for going through the whole reprocessing cycle without producing weaponsgrade material

That development is a special boon for President Carter, whose past emphasis on nonproliferation was going nowhere. The President would be well-advised now to seize the opportunity for proclaiming this country's full entry into the nuclear age.

Taxpayers' Revolt in California

By William Safire

SAN DIEGO-Topic A here in ing teachers, closing schools and the nation's most populous state is neither "Hollywood Behospitals, cutting welfare. hind Closed Doors" (an SEC production) nor "Jerry vs. Jimmy in 1960" (a Gov. Jerry Brown fantasy). Topic A is "The Jarvis

Initiative." and would give the state budget a \$7-billion kick in the head.

Seventy-five-year-old Howard Jarvis, an irascible old coot usually dismissed as a "conservative gadfly," went out and got 12 million Californians to sign a petition that puts a proposition on the June primary election ballot to reduce property taxes to 1 per cent of assessed valuation. That would slash the average property tax bill by two-thirds,

Nearly every "responsible" politi-

is aghast at the consequences: fir-

does not justify this conclusion

because his comments are pri-marily directed at cultural differ-

ences among various peoples.

In this societies of the ghetto

or in remote primitive tribes the verbal and mathematical capaci-

ties which the test seeks to meas-

ure may well not be a good meas-

ure of "intelligence" and this may also be true for emotionally

disturbed people. But for those

in the mainstream of modern

society it may still have value.

Like all tools, it no doubt has

card the IQ test, especially when no satisfactory alternative is be-

ing suggested, and be driven to

judgments based only on personal

hunch. It is disappointing that

there is no universal formula

good under all conditions and ap-

plicable to all peoples but this

has been the lesson of history in

All Clear?

Before Sylvia Zorilla (Letters,

Feb. 20), confuses more people

about a simple conversion, to con-

vert Fahrenheit to Celsius one

substracts 22 from the Fahren-

heit temperature and multiplies

The fraction 5/9 equals 0.55 (re-

curring); so taking the example of 212 P, substract 32 which equals 180 and multiply by 0.55

AH WALKER.

ALFRED E. DAVIDSON.

limitations.

every field.

by 5/9.

rature of 100 C.

"But the damn thing could pass," says one prominent poli-tician, who like most others is atraid to oppose in public the modest proposal of the aroused property owners. "And if the tax revolt succeeds here, in a fairly liberal state, there's no telling where it could lead." To do battle with the Jarvis

Initiative, state legislators—who did nothing about soaring property taxes last year-are now scurrying about submitting alternative tax-relief proposals. Democratic Gov. Brown, studiously stient about Jarvis, supports a different item on the ballot that keeps the power to tax in the state government's hands while vaguely promising some propertytax relief.

New Barrier

Meanwhile, to prepare for the possibility of a Jarvis victory, legislators are working on proposals to increase other taxes to keep the state government in ness. Jarvis is aware of this: Muttering about the "senile old men" who oppose him, the agile codger is preparing a proposition for the November ballot to block the state from levying these new

The national significance of this revolt against taxation-as-usual should be apparent: Talk of tax reform is not enough when middle-class people have tax reduction in mind. State and local governments, which have ballooned much faster than the federal government in recent decades, go after what the taxpayer owns (property taxes) rather than what he earns (income taxes). As a result, the strapped "rich" are lashing back at the well-to-do

Why should this revolt begin in southern California? The quick answer is that the population is older and the incidence of home ownership higher. But an underlying reason is the surge in the number of illegales aliens fleeing poverty in Mexico who have been crossing the border by the hundreds of thousands

Whether they are derided as "wetbacks" or welcomed as "undocumented persons," the newcomers are transforming California life: Los Angeles will soon be the predominantly Spanish town it started out to be, centuries

But the illegales do not come and you have the correct tempeto go on U.S. welfare. By and large, they work harder than most U.S. She is equally at fault with her advice on how to convert Celsius citizens, and in the long run will strengthen the country. They are to Fahrenhelt where one must renters, not property owners, howmultiply not divide the Celsius ever, and their children born here temperature by 9/5 and add 32 -all U.S. citizens—require public schools and other services usually financed by property taxes.

As one might expect, propertytaxpayers see themselves giving much more than they are getting: they see wage-earners, both legal and illegal, getting more in services than they pay for in taxes. Thus, led by the apartment-house owners (those despised "landlords"), and supported by the far more numerous homeowners whose children have already finished school, the property-tax-payers have rebelled.

Sales, Income

If the Jarvis Initiative succeeds. or even if the State of California comes up with a moderate alternative to reduce property taxes, the local tax base will shift from the "havers" to the "makers": A sales tax falls on the purchases made by illegales and others, and a local income tax reaches those who most often make use of local

Is such a shift good public poltoy? I think so. The present no-tion of putting a tax on wealth so popular with soak-the-rich ogues, actually soaks the middle class - penalizing the thrifty while profiting the profligate. People should be taxed on what they earn, not on what they had been abla to accumulate after taxes, through savings and

By mindlessly jacking up prop-erty taxes, we have been discouraging home and apartment ownership, which is a powerful force for personal economic stability and national economic growth That's the first tax that ought to be reduced if we want to stimulate the economy without generating inflation. And so I embrace the seem-

ingly radical Jarvis Manifesto. A specter is haunting state and county bureaucracy: the specter of tax revolt. Mortgagees of the world, unite-You have nothing to lose but your liens.

Other View Of Jordan's Status, Value

By David S. Broder

WASHINGTON.-Patrick Anderson, who wrote a book "The President's Men" on White House assistants and in 1976 served as a speech-writer for Jimmy Carter, had a consoling thought for Hamilton Jurdan. Deep as Jordan's trouble: seemed last week, they were not as serious as those of Harry Hopkins, the Franklin Rousevelt aide whom Anderson described as "the most influential and admirable" of all the presidential azsistants of this century.

Hopkins, who moved into the the White House with his young daughter after his first wife died of cancer, was the subject of endless gossip and criticism So controversial did he become that at one point he bung out a sign saying, "We ain't mad at ne-body"-in effect smog for peace. But there was oo peace for

Hopkins, and Anderson cites him as a prime example of the general point he makes in his bock: "A president's trusted aide can attain power and glory, but the power is precarious and the glory may become tinged with notoriety, for there are many dangers inherent in his position.

Last week, Hamilton Jordan learned again of those dangers. For the second lime in a lew months, he was the central-figure in an unpleasant public encounter with an offended woman. The first incident involved personal remarks he allegedly made to or about the wafe of the Egyptiao ambassador. The second involved a barroom scene with a woman who alleges he spit his drink at her and who. in any case, undeniably hauled off and slapped him.

Taken at Word

In both instances. Jordan affirms that he was not the guilty party. The President and his associates in the White House take Jordan's word for it. His power has risen inside the White House even as his notoriety has grown, and today he is generally recognized as the most important of the President's policy and political advisers. He is also 33 years old and recently separated from his wife. His father, who had been ill with cancer, died last week of a stroke.

I do not know much about Jordan's social life or conversational habits. And I can only guess at the personal pressures under which he has been operating. My discussions with him: over the last five years have been

in the line of business. I do know a couple of other things about him, however. He has one of the best political minds I have ever met-a keen sense of public moods and good judgment about the effect of alternative strategies and policies. tion and prospects-minuses as well as pluses-have been unfail-

ingly honest. Second, in an administration where public relations and polis are given perhaps excessive weight, Jordan is one of the handful of people with access to-Jimmy Carter who really cares about the ultimate objectives of politics. The pursuit of peace

and social justice are not just slogens to him He also happens to be a man whose loyalty to Carter is unquestioned by the President. From all accounts. Jordan uses that position of trust to give-Carter very frank advice.

His personal memos to tha President, I am told by those who have seen some of them, are models of direct, unhedged, nonbureaucratic prose. He is willingto go toe-to-toe with the President in verbal argument when he disagrees with Carter's proposed course of action.

Embarrassment

The presence of someone with those characteristics in any White House is very much in the national interest. But there is no question-even in the minds of White House colleagues who defend him—that Jordan's reported escapades have become a political embarrassment (and maybe more)to Carter.

own life. But more than a year ago, Bob Strauss, who shares with Carter a paternal affection for Jordan, gave him some advice. "You are living in a company town," Strauss said, "and if you're going to thumb your nose at the standards of this town. you better live like a saint. 'Causeif you do one thing wrong, they'll never let you forget it, and

Jordan has a right to live his

they'll hound you out of town, like you were the devil." It was good advice then. And it is even better advice today.

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Jordanning out in Paris—

Black-Belt Cookery, Rustic and Refined

By Naomi Barry

PARIS, Feb. 28 (IHT) -- When the chef of an outstanding Paris restaurant is robust, springy ind a black-belt aikido (a martie) uti a confidence waits through he premises. In addition to the hood tasting good, it must be good for you. After all, one rinks, there's nothing gras about the well-muscled patron, and he sis his own cooking.

Please Vodel probably comes under the category of "nouncile misine," an appellation which makes him laugh. "When you the away the publicity and the sleve, what have you? True Fench cuisine is ancestral. It is based on the home, the woman the land, the peasants, Here in my restaurant, I have personalized it, lightened and refin-ed it, added a little touch of my

He is too hard-headed a Meridional to inflate the subject any further. His style is appetizing. flavored with imagination, rigorand it leaves you in a condition to get up from the table with

Doctors (the Paris medica) protession eats out a lot and with discernment) are regulars. Vedel is particularly linked with those sho specialize in nutrition for sportsmen and in research sgainst obesity. The always-full restaurant has room for 34. "I refuse to enlarge because I insist on attention for all my guests," he says. "However, I keep a waiting list, like for an airplane. if somebody cancels, I'll phone back and say I have a table."

Taught in Japan A stunning starter is a salade le saumon à la citronnette, delicate in taste and as charmingly arranged as a Japanese entrée. The presentation is no accident. Vedel was sent to Japan for a vear by Jacques Médecin, the Minister of Tourism, to give lescons in French cuisine as part if a cultural exchange. But a good teacher always learns in the

Slices of fresh salmon marirated in lemon juice) and subtly parked with green aniseed are oughtfully crossed over a salad if mache and endive cut into julienne. Over all this goes douse of the finest virgin olive

"My father sends me the oil rom Sète [a coastal city near farseilles]," he says. Vedel is Jeorges Brassens, whom he sees

nearly every weekend. "People from my town are a Mafia. We stick together." The Mediterranean shows up on his menu in a number of dishes: Bourride as done in Bouzigues, filet of rascasse with small vegetables and a cream of tarragon, rougets (small red snapper), boutllassou of fish with fresh garlic.

Other regions of France figure, as well. Vedel, who wanted to be a ship'e carpenter, at 14 became apprenticed to a cook because there were no openings in the marine carpentry school. In his first kitchen, he met a compagnon de France who inspired him to follow suit in the ancient apprenticeship of artisans that began with the cathedral builders. During the Middle Ages, craftsmen wandered and worked all over the country until they passed an examination proving they were masters of their trade. order continues although there are fewer and fewer novitistes.

For 10 years ("I now have 25 years of metier", the youthful Vedel carried his knives to Brittany, Normandy, Touraine, Lyons, the Vendee. "I don't know how many establishments I was in, but I worked in every province. France is a marvelous country, full of variety."

Adventure

"When I finished my tour of Prance, I went out on my tour of the world. For adventure, Japan, Korea, Okinawa, Venezuela. When abroad, I was very cocurdier although at home I am not the least bit chauvinistic."

Many of his dishes suggest rural France, but pruned of their rusticity. Cabbage soup with pork rind harks back to Auvergne. Posched eggs ou beurre rouge suggests Bargundy. For eggs in an artichoke bottom and maps them with a reduction of shallots cooked in red wins. It is a dish more hearty than heavy. Vedel regards it as a first course. A woman might consider it a main course.

"Bouillassou is an old word from Languedoc. It is basically a loweter bisque strengthened with sweet garlic. Fresh garlic is very good for the circulation." Steam cooked to the second. filet of St. Flerre or of turbot à la mousse de carottes exempli-Vedel's invention. The

mousse is a successful purée of



Pierre Vedel in kitchen of his Paris restaurant.

my clients have become friends.

At night around here, it is like

the Bronx. Deserted. All the

cars coming around here are

His tour of the world did not

PIERRE VEDEL. 50 Rue des

Morillons, Paris. Telephone: 828 04 37. Closed Saturday eve-

nings and Sundays. Average price.

including service and wine, 70 to

coming to me."

20 france

include the Bronx.

carrots and pumpkin. "I wanted to combine in a natural way sweetness and juicy softness." Few can identify the presence of the pumpkin.

The tricassée de poissons aux raisins verts is a delight. Small pieces of filet of sole, or sole and turbot, are steam cooked and served with a sauce laced with the juice of green grapes and the inclusion of a few whole grapes, seemingly fresh though out of season. He preserves the grapes himself to have a yearround supply.

The restaurant has the plainest of walls and decor but the tablecloths are sparkling white and the plates are the same Villerov et Boch used by Michel Guérard and the Troisgros brothers. Everything is concentrated on the table. Only a single sumptuous over-sized bouquet at the bar breaks the sobriety.

For one year, Vedel was the chef at le Grand Vélour and for three years he was chef at the Elstrot de Paris. Two years ago he opened his own restaurant on an unfashionable street in the 15th Arrondissement.

wanted a neighborhood like this. I have great respect for people but I can't stand chichi My friends are not clients but

ON PARIS SCREENS

Showmanship That Is out of This World

By Thomas Quinn Curtiss

DARIS, Feb. 28 (IHT).—"Close Encounters of the Third Kind" (at the Gaumont Champs-Elysées, the Saint-Germain Huchette and the Hautefeuille in English) is the great new American hit. Everyone is impatient to see it and it is certain to divert almost all for it is a highly charged and quite startling entertainment.

The work of the youthful Steven Spielberg, who was responsible for Jaws," it is additional evidence of its director's acumen as a diagnostician of the public pulse. It would be superfluous to examine this spectacular fantasy gravely. The "house-of-borrors" gasps that it merchants are skin to there induced by a ride on a scenic railroad. That its preposterous sernario is conveyed spiemniy—as though it were an explanation of the Einstein theory of relativityonly denotes its sound showman-ship. It is sagacious for thrillers to refrain from laughing at them-

The tranquillity of a tiny Indiana town is disturbed one night by flying saucers whizzing by. The electricity fails and all mechanical gadgets cease to function while the district trembles as though in the throes of an earthquake. A 4-year-old boy dis-appears in the smoky confusion and it is suspected that he has been snatched up by one of the raiding objects. A mother's complaint and the protests of the neighbors who have witnessed the odd occurrence bring the matter to official notice:

Truffaut as Actor

An international committee that devotes itself to the study of unaccountable happenings convenes. Among its members is a French savant (François Truffaut, the director, turned actor for the

occasion) who reports on his plan to communicate with the space visitors by means of musical notes. He establishes contact with them and, despite first misgivings, they are not hostile. A meeting with them is arranged in the wastes of a Western descrt. Through the haze one gimpses the creatures of nursery nightmares inviting brave volunteers to board their menster spacecraft and depart for unknown realms.

The acting is definitely of the third order, plain and primitive, with Richard Dreyfuss as a toller in a provincial powerhouse whose insatiable curiosity enlists him for a space voyage; with Truffaut seeking to be of bustling importance as the French research scientist: with Melinda Dillon as the worried mother and with Cary Guffey as the kidnapped child,

The futuristic speculation is of the pulp-magazina variety rather than that of Jules Verne or H.G. Wells, but Spie berg has produced the delirious script very grandly as an exciting display of special effects. The screen has long ne-glected its possibilities to realize the fantastic and now with "Close Encounters"-together with "Space Odyssey 2001" and "Star Wars"reopens a profitable playground. Such pictorial wonders tickle the child in adults and their appeal is worldwide and suffers no generation gap.

'Demon Seed" (at the Biarritz and the St. Michel in English! is more science-fiction harum-scarum, manufactured on a relatively minor scale and at less expense. In this shocker a thinking machine goes berserk, Brooding, it becomes obsessed with a propagative urge and would father an offspring. To this purpose it locks the estranged wife of a professor in her home, where the computer serves as a demestic, and pursues her about. One might imagine that this erudite contraction would have an Oxonian accent but its voice is that of a Hollywood booking agent. Julie Christie, the object of its intentions, looks appropriately appalled at the unique proposition, but the incistent machine thas its way with her. The scenario is based on a novel by Dean R. Koontz, but its climax recalls Karel Capek's play, "R.U.R.", in which robots took over civilization. In any case, the novelty of its situation is a relief from movies about bank robberies and the intrigues

Luigi Comencini's "Incompreso" (at the Monte Carlo and the Quintette in Italian) is an adaptation of Florence Montgomery's weepy Victorian novel "Misunderstood." It was included in the program of a Cannes festival some years ago and its rude reception there has delayed its French re-

of neferious politiciens.

The bad-mannered festival audience whistled at it as it has whistled derisively at many a reputable film-the subsequent Spanish success "Bread and

Henry Ford Objects Sold for \$2.1 Million

NEW YORK, Feb. 28 (Renters). - Antiques belonging to Henry Ford 2d and his former wife, Anne, have been auctioned for a total of \$2.1 million, with nearly half sold above the auctioneer's highest estimates.

The sale Saturday, conducted by Sotheby Parke Bernet, niginly featured 18th-century French furniture, clocks, gold boxes and porcelain.

Wine," and Automor's LAv-

ventura" and is them. Comencipi has taken the Montgomery tear-jerker about the bewilderment of yantit, reset it against the same of monora Italy and retoid its belowning narrative with commendable skill and moving prignancy. It carcerns the two yous, agea 6 and 11, of separated paranta and the older boy's futile affects to express his love of he father. Sicfano Colagrande as the thwarted, high-strong lad and Smone Giannezzi as his mischierous little brother play with such engageing simplicity that they and their roles are one, while Anthony Quayle renders helpful support as the alcal paga. The beautiful acting is complemented by the handsome photography and the exquisite metal that Comencial has evoked. He has transformed the septimental old hotel into a inction picture of unusual qual-

"Elles Deux" (at the Roome, the Marbent and the Saust-Andre-des-Arts in its original verslone is the new falm of Narta Mescarcs, the Hungarian director of the recent "Adaption" It deals with the celf-revelation, of two women who find in their friendship consolution for their mahappy matriages. The first has been wed to a husband she did not love and who was not loved by him. The second bus less subtle problems, I away been the mate of a drunkard Marina Viety and Lin Manors are the competent interpreters of the two ex-wives who find inutual strength in each other, under-standing. The film, with its liwkeyed development and psychological probing, is any many and intelligent. It was a favorite of the critics at the recent Paris

AROUND THE GALLERIES—

Brussels

Christian Leroy, Galerie Claude Jongen, 149 Chaussée de Charleroi. Erussels, to March 4.

Strange and strong sculptures in terra-rotta and bronze abow human figures and occasionally enimals dramatically posed, tensed in a crouch, a head flung back with neck muscles that, mouth open in a scream, interlaced in play and in lust, smallscale nudes, male and female, in total abandon, insouciant children. A large seated figure of a woman holds a baby in her lap, a horse agonizes on its back in a trilliantly scuipted movement. Leroy models within the Belgian 'r dition of the macabre but his work has more assertive realism than most and skips the whims. His drawings are in the same vein, sharply etched, no frills, with the accent on a moment of movement, of agony or of sexual

Gaetano Pompa, Hilton Gallery, Bd. de Waterloo, Brussels. through March.

Pompa's work is densely packed with detail pot to be missed. bizzre, secretive and full of eccentric symbolism. It gives a beady glimpse of an absolutely authentic and unlabored fantasy. An artist who can take six years to complete a painting, and no wonder, he has few shows and this collection is on a tour of Surope. Archale landscapes with tall-towered castles bloom on the crown of a wide-brimmed straw hat; bald knights bearing ban-ners fly through the air in a sort of alroorne snall-cum-starfish escorted by a glider and a man with rubber wings; peacock-patterned snakes arithe sinuously through many of the paintings. The furled snatl reappears to confront a toy airplane with eves. and a centipede made up of tiny balls of wool sports legs and antennae.

It's careful, polished work without florld surrealism.

Edith Smith, Gallery Dautzenberg 76, 76 Rue Dautzenberg. Brussels, to March 25.

Here are pastels and prints of skill and versatility by an American artist who has a delicate band with color and folds her it'clearly defined forms, often a portrait in profile, a human figure, into an area of enveloping cbstruction so that they blend gently and create their own shapes Descrive.

For this show, Edith Smith's work is limited to graphic art list next year she plans to bring her oils to Europe; slides of the painings show an astonishing mastery of dizz, ing perspective and slyly misleading angle and spirce effects.

Antoine Laval: Jean de Witte. Galerie Anne Van Hoerenbeeck. 183 Chanssee de Charleron. Big sels to March 25.



A Leroy sculpture

Laval makes compositions out of collages from paper, newsprint and brown paper. Placed with enviable neatness of technique in strips, circles, squares, overlapor firmly separate, they form disciplined work with a certain constructivist flavor and are painted over in pleasing color.

De Witte shows photographs of newn lighting effects in sharp black and white, the peops cutting sparkling patterns through tha thick blackness surrounding them.

Bram Bogart, Gallery Alexandra. Monett, 154 Chaussee de Charlerol, Brussels, through March. Paint kneaded like dough into thick mounds of vivid color, bunched, ridged, in whorls and runnels or molded into frames around one flat large rectangle of hot color, this is Bogart's Sometimes enormous. sometimes of manageable size, they are more sculpted color fields than paintings and have on insistent presence in any room. -RONA DOBSON.

Rome

Afro (1912-1976), Retrospective, Nazionale D'Arte Galleria Moderna, Valle Giulia, Rome, through April 6.

This painter is considered one of the leaders of abstract expressionism in Italy, His early figurative canvases were sensitive and of high craftsmanship but not definite in style. He gradually came to a Picasso-like semiabstraction, Ben Shahn-like drawing, and then to a fascination with the New York School. At the height of his career in the late 50s a lice splashing manner was close to action painting in gesture, but not the least in feeling. The losseness was studisd, more a display of high craffsmanship than a gut-deep attack, Only quite late did Afro come to a special expression, of devetailing heraldic shapes in der native patterns and warm cartii colors, which, though mederate and tight, was finally

own, Besides the figurative early work there are prints and

The hanging of the major body of his workover a hundred abstract paintings, up and down the walls of the central half of the museum in a salon-type display, created a mild sensation. It appears more gay and festive than the ordinary hanging at first but basically betrays an insensitivity and disregard for the content of the individual composition. In the old, Louvre-type salon hanging, each picture had subject matter and a wide frame to define it. Here the unframed abstractions, like so many papers on a newsstand, lose identity and run into one another and cannot be individually studied.

EDITH SCHLOSS.

Paris

Hélion, Galerie Karl Flinker, 25 Rue de Tournon, Paris 6, to March 4

There is a purposeful concern with objects—hata, tables, vegetables and other nouveau artifacts in Helion's work that reveals a sort of moral prin-ciple. Hélion may be boring sometimes, but he is a pro. The present show is devoted mostly to works on paper and some-times, despite the artist's obscure purpose, one discovers an actual sign of pleasure in the act of applying color to a surface. The purpose seems to be that Helion wants to deal with the objects of daily life: "I will take an honest, straightforward delight in that pumpkin if it kills me." But the pumpkin just sits there. What harely saves it is its splentid pumpkin-color, and that is what berely saves Hélion at times MICHAEL GESON.

'Pyramid' Ruins Found in C. Asia

MOSCOW, Feb. 28 1UPI). -Archaeologists excavating in the Kara Kum Desert of Central Asia have uncovered the ruins of a structure resembling a pyramid, Tess said Saturday.

The news agency said the pyramid formed the nucleus of a group of structures covering 10,-764 square feet at the Altyn-Depe (Gold Hill) site where the desert meets the Kopetdag footbills in southern Turkmenia

"In the opinion of specialists, Altyn-Depe is the most ancient urban-type civilization in the territory of the Soviet Union," Tass said. "It is about 4,000 years

Tass said a Babylon-type and numerous articles tower made of precious metals and found there indicated that the ancient inhabitants maintained contacts with the civilizations of Mesopotamia, India and Egypt.



Look for outstanding performance in a motor car and you will usually find it either in an exclusive luxury saloon with its bulky dimensions, or in an expensive sports car with its conspicuous styling. Both these alternatives represent a compromise for the performanceoriented driver.

Look for a combination of the manœuvrability of a classic sports car and the impeccable manners of a luxury saloon, and you will find them in a BMW. The BMW 528i, for example, owes its unique character to the fact that it avoids the discomfort and ostentation of the average

sports car, offering the comfort of an exclusive luxury saloon in unusually compact dimensions.

Thus BMW have the solution for every driver who wants more performance and less ostentation.

After all, the most intelligent way of exploiting a car's performance is not to make a show of it.

BMW cars

The BMW range of fine automobiles: the ultimate in performance, comfort and safety. Designed for the man who appreciates the excitement of driving.

BMW - Sheer driving pleasure

NYSE Nationwide Trading (3 O'clock) Feb. 28

- 12 Month - Stock 545 p.m. Prev High Low Div In 1 Yrd. Pr E 1003 High Low Just Close

B

European Gold Markets

Eurocurrency

Interest Rates

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International

Stock Indexes

International Bonds Traded in Europe

Tokyo Exchange

Selected Over-the-Counter Stocks

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Carpad BANQUE INTERCONTINENTALE ARABE 67, avenue Franklin Roosevelt Paris Tél : 359,61.49 - Télex : 640340 BIAPA Capital 100 millions F.F. Total of the balance 1975 : 1, 080, 000, 000 F 1976 : 3, 209, 000, 000 F 1977 : 3, 564, 000, 000 F The Arab World is our business

NOTICE OF REDEMPTION

834% Guarantsed Sinking Fund Dabentures (Series A) due April I, 1986 (Red Color)

NOTICE IS HEREBY GIVEN THAT, pursuant to Section 3.91 of Article Three of the Iodenburg dated as of April 1, 1971 among Amaz luc., formerly American Metal Climax, Inc. and Amaz International Capital Cornoration [herefuelter called "the Company"), American Metal Climax, Inc., Guarantor, and Bankars Trust Company. Trustee [hereinniter called "the Trustee"), there will be redeemed on April 1, 1978, through the operation of the Sinking Fund, at a redeembly price equal to 100% of the priocipal amount to be redeemed, \$1,366,000 principal amount of \$2.76 Guaranteed Sinking Fund Debentures (Series A) due April 1, 1986 | hereioafter called "the Debentures").

The following arm the serial numbers of the Debentures bearing purely was in the produced of the processes.

Debentures oot listed above are not affected by this redemption.

The Debentures so designated for redemption will become and he due and payable, at the principal amount thereof, together with interest theorem accrued to the date fixed for redemption, in United States dollars at the option of the holder either (a) at the Corporate Trust filter of the trustee, One Bankers Trust Plaza, New York, New York 19905, or (b) subject to any laws or regulations applicable thereto, at the main offices of Amsterdam-Rotterdam Bank N.V. in Amsterdam, Banque due Bendux S.A. and Société Générale de Banque S.A. in Brussels, Deutsche Uoloobank GmbR in Frackfurt/Maio, Bankers Trust Company, J. Henry Schroder Wang & Co. Limited and S. G. Warbarg & Co. I imited in London, Banca Commerciale Italiana in Milan, Bankers Trust Company, Banque de Paris et des Paya-Bas, Banque Rothachid and Société Générale in Paris, and Sanque of Suez-Luxembourg, and Bacque de Paris et des Paya-Bas pour le Grand Duché 60 Luxembourg. Payment of the redemption price of the Debentures called for redemption will be made upon presentation and sucrender of such Debentures with all coupons maluring after April 1, 1978, Coupons maturing on April 1, 1978 shoold be detached ond sucrendered for payment in the usual manner? Interest on the Debentures called for redemption will cause to accrue from and after April 1, 1978, Milan were called for redemption on April 1, 1971: 160, 249, 345, 675, 703, 1109, 1114, 1380, 1397, 4910, 6024, 6048, 5070, 3795, 8799, 8921, 9338, 8540, 9545, 11393, 11394 and 11568. These Debentures should be presented for payment with all coupons matering after April 1, 1677.

AMAX TWCL

AMAXING. By Bankers Trust Company, Trasles

NOTICE OF REDEMPTION

834% Guaranteed Sinking Fund Debentures due April 1, 1986 (Blue Color)

NOTICE IS HERBBY GIVEN THAT, pursuant to Section 3.91 of Article Three of the Indenture dated as of April 1, 1971 among Amax Inc., formerly American Metal Climax, Inc. and Amax International Capital Corporation (hereinafter called "the Company"), American Metal Climax, Inc., Guarantor, and Bankers Trust Company, Trustee (hereinafter called "the Trustee"), there will be redeemed on April 1, 1978, through the operation of the Sinking Pund, at a redemption price equal to 180% of the principal amount to be redeemed, \$316,000 principal amount of \$7% of Guaranteed Sinking Fund Debentures due April 1, 1986 (hereinafter called "the Debentures").

The following are the serial numbers of the Debentures bearing prefix M to be redeemed:

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Debentures not listed above are not affected by this redemption.

The Debentures so Seeignated for redemption will become and be one and payable, at the principal amount thereof, together with interest thereon accrued to the date fixed for redemption, in United States dollars at the option of the holder either (a) at the Corporate Trust office of the Trustee, One Bankers Trust Plans, New York, New York 1900S, or (b) subject to any laws or regulations applicable thereto, at the main offices of Amsterdam-Rotterdam Bank N.V. in Amsterdam, Banque do Bendux S.A. and Société Genérale de Banque S.A. in Brossels, Destitche Unionbank GmbH in Frankfort/Main, Bankers Trust Company, J. Henry Schroder Wage & Co. Limited and S. G. Warburg & Co. Limited in London, Bance Trust Company, J. Henry Schroder Wage & Co. Limited and S. G. Warburg & Co. Limited in London, Bance Commerciale Italians in Milan, Bankers Trust Company, Banque de Paris et des Pays-Bas pour le Grand Duché de Luxembourg, and Banque de Snez-Luxembourg and Banque de Paris et des Pays-Bas pour le Grand Duché de Luxembourg.

Payment of the redemption price of the Debentures elied for redemption will be made upon presentation and surrenders of such Debentures with all coupons maturing after April 1, 1978. Coupons mainring on April 1, 1978 should be detached and surrendered for payment to the usual mature. Interest on the Debentures called for redemption will crass to secure from and after April 1, 1978. Metal the presented for payment with all coupons mainring after April 1, 1974: 101, 105, 2508 and 3525. These Debentures should be presented for payment with all coupons mainring after April 1, 1974: 101, 105, 2508 and 3525. These Debentures should be presented for payment with all coupons mainring after April 1, 1978. See, 3614, 8634, 1877, 1890, 1960, 1861, 2048, 2001, 2079, 2485, 2508, 3610, 2815, 2815, 2812, 2808, 3723, 5725, 5725, 5725, 5725, 5726, 5736, 6180, 8119, 8180, 8171, 8718, 6082, 9655 and 11000. These Debentures should be presented for payment with a

AMAX INC. By Bankers Trust Company, Trusted

Dated March 1, 1978.

هكذ احق الامل

New Economic Strategy Adopted

PARIS, Peb. 28 (IHT). The major industrialized countries agreed boday to scuttle the stalled locomotive" approach to revive economic growth and replace it with a more finid convoy

Under the new strategy, adopted at a two-day meeting of the economic policy committee at the Organization for Economic Cooperation and Development, the nuclen for pulling the industrial ned world cut of the doldrums will be shifted from the economically strong countries the so-called locomotives, which are the United States, West Germany world. and Japan to a much broader-

countries, Switzerland, the Netherlands and Belgium and the "convalescent" contries such as Britam, France and Italy, whose reduced levels of inflation and improved balance of payments posttions are now deemed sufficient to allow them to adopt a more expansionary domestic policy.

The object of the new strategy is that each country would exwith its own constraints, but that by increasing the number of countries moving forward the impact would reverberate more quickly and more widely throughout the

There was almost unanimous agreement that this made sense,

proving terms of trade after the deutsche mark appreciation, and

may not be offset by a bigger

deficit on invisibles as it was in

figures, Britain and Italy should

experience larger current account surpluses than last year. Canada

can expect its deficit on current

account to widen, while France's position should move from deficit

U.K. Economy

Seen Turning

Sluggish in '79 LONDON, Feb. 28 (AP-DJ).

Britain's economy will prob-

ably experience a brief and

mild recovery this year follow-

ed by a return to shaggish

growth and rising unemploy-

ment in 1979, the National

Institute of Economic and

In its latest quarterly re-

view of the British economy.

published today, the institute

says that price inflation

shoudl decelerate, until late in

1978 but it is then expected

to begin to rise again, reach-

The nation's surplus on

current account is forecast to

be about £1.25 billion in 1978,

up from an estimated £100-

million surplus last year, but

the figure is not expected to

increase any further next

year, NIESR states. The in-

dependent institute uses a

computer model of the econ-

omy similar to one used by

the U.K. Treasury.

Prices Slashed

On Swiss Stocks,

Bonds After Ban

ZURICH, Feb. 28 (AP-DJ) .-

Swiss stock prices plunged across

the board in the steepest one-

franc bond prices stomped badly

in sheep reaction to the coun-

tay's ben on foreign purchases

of Swiss accurities effective to-

day. Stock prices (ell between 5

and 10 per cent in trading that was interrupted several times to

The Swiss Credit Bank index,

based on 25 stocks, plunged 11.8 points to 250.0, a loss of 45 per cent, which, if applied to stocks listed on the Zuskin exchange.

On the secondary market for

issues felt 2 per cent, prices of

bonds of foreign borrowers slip-ped more sharply, and one dealer

seld that losses ranged to 6 per cent. Trading was heetle, but

buyers were scarce and in the resulting thin market, prices

Foreign purchases of new

Swiss-franc-denominated bonds

and private placements by for-

eign borrowers are exempt from.

the ban, However, the Swiss

Central Bank has decided that

it will allow only a certain per-

centage of new paper to be sold.

to foreigners, with the quote to

bearied downwards.

Swiss trancs.

ents a loss of 28 billion

franc bonds, domestic

deckine ever and Swiss-

ing 9.8 per cent in 1979.

Social Research forecasts.

1977, the report says. . .

into a slim surplus.

Britain Panel Sees Doubt Of a European Recovery

By William Kucewicz

LONDON, Feb. 28 (AP-DJ) -Despite the stimulative efforts of major European nations, the United States and Japan, there is growing doubt whether European economies will recover from the current recession, at least in the sense of achieving a substantial reduction of unemployment levels according to an independent British study published to-

While output prospects in the United States, Canada and Japan are still "reasonably favorable demand in much of Western Eu-rope is depressed, the report says. Protectionism-in industrial countries, aimed preserving jobs in declining manufacturing sectors, is tending to hold down the volume of world trade and inhibiting economic growth in non-off developing countries, it adds.

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Even new economic measures being advocated are small, constrained by the objectives of not increasing inflation or balance of payments deficits, and "it is difficult to envisage a pattern of uccessive recoveries, with the United States merely leading the others," says the respected Na-tional Institute of Economic and

Social Research. In its latest quarterly review of the world economy, it argues that "if recent indications that U.S. policy can be affected by external factors are confirmed, the worsening in the prospect for general recovery could have disturbing implications for the long-term relationship between imports and growth and for the whole international economic structure, as well as impairing trade prospects for 1978 and 1979. The present nettern cannot in any case be

considered stable." Trade Was Shrevish World trade was "notably singgish" in the second half of last year and probably increased by no more than 3 to 3.5 per cent the whole of 1977, NIESR

forecast a rise of 5 to 5.5 per cent followed perhaps by some "marginal acceleration" next year. Current account deficits on the balance of payments of most major industrial countries should be "considerably smaller" this year than last and "more heavily concentrated" in the United

estimates. For 1978, the institute

States, the report says.
U.S. oil imports will not change much in 1978, while total imports could rise by about 4 per cent with little change in exports. Thus, the U.S. trade deficit may increase slightly in 1978 because of worse terms of trade and the current account deficit could also widen due to slower growth in invisible receipts, the institute says. Recent Japanese measures

taken to increase imports "seem unlikely to have much effect in 1978, but the volume of exports is unlikely to grow more than in 1977 . . . its trade and current surphises may therefore change little, but the target of reducing them seems difficult to meet, NIESR's study concludes. West German trade this year

is expected to grow only slowly in volume in 1978. "The trade surplus, however, is now expected to rise further, because of im-

Company Reports Revenue, Profits in Millions of Dollars

American Breadcasting Cos

1977 499.80 Fearth Quarter Profits 34,80 1.36 Per Share 1.91 1,610.00 1,340.00 Profits . 109.80 71.70 Per Share 6.04

Warner-Lambert Pourth Quarter Revenue 684.40 20,10 Profits ... 35.40 Per Share 2.540.00 2,350.00 187.60 Profits

Per Share

55

be fixed by the each of this week, a spokesman said. Field Drops Trust Suit

CHICAGO, Feb. 28 (Reuters).
-Marshall Field said a. U.S. District Court judge granted its motion to dismiss its anti-trust guit against Carter Hawley Hale Stores. Last week, Carter Hawley withdrew its offer to acquire Field for \$42 a share.

RAMADA Geneva The holel for executives

2.00

further progress on inflation and ployment," said Charles Schultze. spokesman for the committee and chairman of the U.S. Council of Rennomic Advisers.

He stressed that the meeting was a strategy session and that no attempt was made to assess growth forecasts of individual countries or to assign growth ter-gets. He did say, however, that the strategy would succeed if the forecasts of individual countries are realized.

West Germany, for example, projects that its fourth-quarter-1977 to fourth-quarter-1978 growth will be in the range of 4 1/2 per cent (a calendar year advance of around 3 1/2 per cent)—an as-sessment viewed with some skepticism within the OECD secretariat and by some other

One participant at the meeting commented to newsmen that the success of the new strategy would still depend on the willingness and ability of West Germany and Japan to meet their ambitious growth targets because the other nations, by themselves, would not be able to do much without running into severe bal-

In 1978, according to NIESR's ance-of-payment constraints: The French view reflected this. A member of that delegation said that France is ready to participate in a concerted action provided that the strong economies led

the way,

When questioned about the West German ability to match its forecast, Mr. Schultze commented that "the fact that its objectives iset at the London summit meeting last May) were missed once doesn't mean it will fail again." He added that "what is different now from the London summit is that few other countries were in a position to respond even if Germany and Japan had met their goals. Now there is more room to

The U.S. view is that this growth scenario comiled with congressional approval of the Carter administration's energy proposals would be sufficient to restore confidence in the dollar.

A senior official reiterated that Washington is not seeking to solve its current-account deficit by depreciating the dollar and said that "disorderly" conditions of the past weeks has again been met by "substantial intervention" which was "discussed quite closely" with other central banks.

He denied that Washington was change controls much rumored in foreign-exchange dealing rooms in Europe-said that the West German proposal that the United States borrow abroad to build up its defenses to support the dol-lar was deemed to be "undesiratle" because it would be "inef-

The main objection is that such foreign issue would have to be more attractive than existing domestic paper to sell and to that extent would be likely to divert foreign funds that would have

gone into U.S. domestic paper Further, funds already invested in the U.S. market could be cashed in to buy the foreign issue, putting additional pressure on the dollar in the exchange

market and greatly reducing the

"percentage of real effectiveness."

Industrial activity in Japan

showed a moderate rise in

December and was in line with

government projections. Japan

A separate government report also indicated that Japan's econ-

omy has begun to recover from

a mid-1977 pause. Rodustrial activity in January

rose 1.1 per cent from December

and was up 28 per cent from a year earlier with the mining and manufacturing index at

and manufacturing index at 119.3, the Ministry of Interna-

tional Trade end Industry said in a preliminary report. The

index of producer shipments ross 0.8 per cent from the pre-vious month and 1.5 per cent

from a year earlier while the index of inventories was un-

changed from the previous

month but up 2.3 per cent from

a year earlier. The index of pro-

ducers inventories to shipments

ratio time was down 13 per

reported today.

Add Few Stocks to Holdings

Banks Move to Wall Street's Curbs

departments unsubscally neutralized themselves as a stock market force in the smal quarter of 1977. They added less stock to their holdings than in any quarter since they were made to file trading reposits with the Controller of the Corrency in sate 1974.

The banks did a hefty amount of buying and selling \$4.4 billion of trades but, when all the buying and pushing was done, they were not bovers of only \$60 million of stock in the quarter ended Dec. 31.

In context, that was a tiny amount. In some quarters of 1975 and 1976, the banks were net buyers of as much as \$1.8 billion of stock. Even with the pronouncest slowdown in net buying that started early last year, net purchases averaged more than \$600 million a quarter in the first nine months of 1977.

That buying level was far from robust but went a long way then in cushioning heavy net selling by mutalia funds. But the banks were far from a stabilising force in the latest quarter, when mutual funds were not select of \$571 mil-

The susprisingly sharp drop in bank purchases emerges from the latest compilation by Computer Directions Advisors Inc., Silver Spring, Md., of defin gathered for its quarterly spectrum service. The banks reporting to the controller have total stockholdings of \$122 billion. While many of the holdings are managed under the banks' investment discretion, the data also include trust accounts for which decisions are made by others.

Geveral observations can be made on the basis

banks fourth-quarter transactions:

· The heaviest net buying had defensive characteristics. Purchases exceeded sales by the largest amounts in telephone, electric and gas utility stock groups.

. American Telephone drew, by far, the greatest interest. Bank trusts bought \$153 million more AT & T stock than they sold, figured at Dec. 31 prices. If AT & T were excluded, then the banks were net sellers of more than \$100 mil-

lion of all other stocks.

• In addition to AT & T, the banks were not buyers of nearly \$110 million of electric and gas utilities and nearly \$14 million of combination system utilities. Morgan Guaranty Trust Co. moved heavily into utilities in terms of fourthquarter purchases. Aside from telephone and utility stocks, the trust departments were not sellers of more than: \$200 million of other stocks.

 Banks were net buyers of aircraft, oil and gas extraction, oil. refining, paper, computer, railroad and book publishing stocks.
 Biggest net selling occurred to basic industry stocks. Most heavily sold in this sector were stone, clay and glass, chemical, soep, drug, tire and steel stocks. Other major groups on the sell side were department store, beverage and

By stock, the banks' largest net selling last

quarter occurred in General Motors, Cathorunfrom (involved in a tender offer), Clifcorp, Avon, Du Pont, Schering-Plough, Eastman Kodak, Roternetional Business Machines, Alcon Labs (involved in a tender offer), Merck, Philip Morris, Schlumberger, St. Paul Cos., Sperry Rand and NCR Corp.

Japan Vows to Curb Car Exports to Britain

TORYO, Peb. 38 (Reuters).— As warnings were repeated today of a possible trade war against Japan, that nation promised to control car exports to Britain and a Japanese industry chief reportedly said Japan was ready to discuss restraints of steel exports to the United States. Officials also announced that

Japanese Premier Takeo Pukuda would meet President Carter in Washington May 3 for bilateral talks primarily expectning world economic recovery.

The meeting was proposed by Mr. Fukuda to further strengthen U.S. Japan relations which had been strained prior to an agreement in January on trimming Japan's huge trade surplus with the United States.

However, an envoy from the Common Market was told here today that Japan would find it plunge to near record lows in hard to make any further, separate concessions to the EEC.

Surope foreign exchange trading arate concessions to the EEC. arate concessions to the EEC.

Danish Foreign Minister Knud Andersen, here for talks as chairman of the EEC's Council of Min-isters, told Japanese External nies Minister Nobuhiko Ushibe today that pressures were building within the Common Market for discriminatory trade

measures against Japan, according to a Foreign Ministry spokes-Mr. Ushiba, who yesterday said the EEC could expect no special privileges from Japan, then told Mr. Andersen that while Japan wanted to do all it could to maintain good relations with the Com-

mon Market, his country would find it hard to make any further Meanwhile, Japan did promise today to impose tighter me control car exports into

[The Los Angeles Times reyesterday that Michihiro Japanese Industrial Activity

cent from the previous month but was up 12 per cent from a

Separately, the Economic Plan-

ning Agency said that the economic trends indicator, the

diffusion index, rose to 64 per cent from 44 per cent in Novem-ber and was unchanged from a

year earlier, showing that eco-

nomic activity has begun to re-

cover from a mid-1977 pause,

The 50-per-cent level marks an

expansionary/recessionary trend.
Japan's index of mining and

manufacturing activity also rose 0.9 per cent in December and

However, the report projected a weakness in industrial activity

in February and March reflecting

a lack of strength in the current

recovery. Major manufacturing

sectors as steel and chemicals plan

to cut output 1.8 per cent in

February and 1.1 per cent in

RARE JEWELS OF THE WORLD

EXCEPTIONAL

EXHIBITION

February 11

to March 5, 1978.

BADRUTT'S PALACE

SAINT-MORITZ

2.1 per cent in November.

Up, Economy May Be Gaining

of Honda Motor, said in an interview his company intends to "suppress" exports to the United States during 1978 to "avoid adding any irritent" to trade rela-tions. Mr. Nishida was the first Japanese auto executive to declare publicly his company's intention

to restrain exports to the United The International Trade and Industry Ministry said the measures, which it did not specify, involved increasing government calls overseas for protectionism against Japan.

said in a speech released here today that the Japanese steel industry is ready to discuss export restraints to the U.S. market with guidance to Japanese carmarkers Washington.

Stock Prices Drop Broadly

three-year low in active trading. Also weighing down the market was a government report of a

alowdown in productivity in the fourth quater of last year, ana-The Dow Jones Industrial Average was down 8.23 points to 742.12. It was down 6.23 at 3 p.m. The last time the index closed

lower was on Feb. 28, 1975 when

finished the session at 739.05.

about 390 higher advancing. Volume totaled 19.75 million

the opening smid concern about the 0.8 per cent rise in the urban

for the biggest drop in three years. The index was up 0.7 per Commerce Secretary Juanita. Kreps said, however, the severe

Some 1.020 issues declined with moderate trading with the Amex

Ministry sources said the controls were designed to avoid further conflict with Britain on car exports and head off growing

On yet another sticky world trade problem, Yusuru Abe, Senior vice-president of Nippon Steel,

consumer price index for Jan-The decitor broadened in the afternoon after the U.S. said its January index of leading economic indicators fell 1.9 per cent

winter was responsible for part of the decline. Prices finished sharply lower on the American Stock exchange in

index down 0.49 to 122.85.

Dollar Falls Sharply Despite Action by Swiss

The dollar plunged to a record low against the deutsche mark today and dropped very sharply against other currencies as it became apparent that Switzerland's reinforced exchange controls would do nothing to reverse the dellar's basic downtrend.

The deliar fell 3.45 pfennigs, or 1.68 per cent, to 2.0175 marks, a record end-of-day low. Dealers said trading volume was not very large but that there was no support for the U.S. currency.

In even thinner and more erratic trading, the dollar fell 5.35 centimes against the Swiss franc to 1.8350. Later in New York, the dollar was quoted at 1.8163 Swiss france, or not very fer from the record intraday low of 1.7880 set last Thursday before Switzerland announced the first of two series of measures to halt foreign purchases of Swiss francs.

In relative terms, the dollar's decline against the yen was mild. The rate fell to 238.40 yen from

Several dealers insisted that the dollar's steep decline occurred on relatively small volume since many banks were unwilling to

alter their currency positions at the end of the month. Dealers said that if the New

York Federal Reserve Bank intervened, it could not have been for significant amounts. Moreover, reserve figures re-

leased by the Bundesbank sug-gested that the Federal Reserve's ability to keep supporting its currency may have become limited. The figures showed that the German central bank's reserves rose about 2.1 billion marks, or slightly more than \$1 billion, in the week ended last Thursday.

Since a large part of this in-crease, possibly more than half, represented drawings of the Fed on its swap line with the Bundesbank, dealers reasoned that per-haps more than two-thirds of the \$4 billion line has been ex-

In Zurich, dealers said that the Fed was both a buyer and seller of Swiss francs yesterday, indicating that the U.S. central bank was reluctant to make a sub-

stantial commitment toward supporting its currency. In this connection, Fritz Leut-wiler, president of the Swiss Na-

tional Bank, said that he has sent an aide to the United States

Belgium Output Drops

BRUSSELS, Feb. 28 (AP-DJ). Belgium's industrial production index in December fell 12 per cent from November but was little changed from December, 1976, when the index fell 14.8 per cent from the previous month. the government said today. The report added that on an adjusted and preliminary basis, the comtry's production in 1977 declined 0.1 per cent from 1976.

LONDON, Feb. 28 (AP-DJ).- to plead for measures that would support the dollar.

While the Swiss measures to curb capital inflows appear to be comprehensive, sources close to the Swiss National Bank say that foreign central banks can still purchase francs and hold them on deposit without penalty. However, it is understood that Swiss authorities are considering closing this loophole, perhaps later

in the week. In any case, the available evidence indicates that many of the small central banks outside the major industrial nations have been steadily buying Swiss francs because they consider the dollar to be no longer a safe silve of

While sterling rose to \$1.94 from \$1.9315, it fell against the deutsche mark to 3.9140, the lowest level in recent months, from 3.9634.

The dollar also fell sharply against the French franc, to 4.76 from 4.80. At the same time, the French currency fell to 0.4238

Major Index Drops by 1.9%

ters).-The U.S. index of leading economic indicators fell 1.9 per cent in January for the biggest drop in three years, the Com-merce Department said.

The drop compared with a 0.7per-cent rise in December and left the index at 1328 per cent of its of its 1967 average, or 5.1

per cent above a year earlier. The drop came after six consecutive months of increases and was the largest since the 3-per-

cent fall in January, 1975. The department said that of the 10 index components available for January, eight fell, with the drop in the average workweek by 0.8 hours to 39.7 hours exert-

ing the biggest downward infhience. The department said cold weather and heavy snowfall in January affected the workweek and building permits, which also

fell, but the magnitude of the im-

pact is unknown. The department said its index of coincident indicators fell 0.3 per cent in January to 133.9 per lowed 11 months of gain capped by a 0.8-per-cent rise in December and left the index 6.9 per cent ahead of a year earlier

The index of lagging indicators rose 2.1 per cent in January to 135.3 per cent of its 1967 value. This compared with no change in the index for December and was the biggest jump since the 3.4 per cent rise in May, 1974.

The lagging indicators were 11.3 per cent ahead of a year

New Issue March 1, 1978



se a matter of record only.

FUJITSU LIMITED

(Fujitsu Kabushiki Kaisha) Kawasaki/Japan

DM 50,000,000

41/4 % Deutsche Mark Convertible Bonds of 1978/1986

Offering Price: Interest: Maturity: Conversion Right: Listing:

41/4 % p. a., payabla semi-annually on April 1 and October 1 April 1, 1986 from June 1, 1978 into ordinary sheres of Fujitsu Limited at a conversion price of DM 2.80 per share

Frankfurt am Main

Deutsche Bank

The Nikko Securities Co., (Europe) Ltd.

Dai-Ichi Kangyo Bank

Nederland N.V.

Credit Suisse White Weld

Daiwa Europe N.Y.

(Luxembourg) S.A. Smith Barney, Harris

The Industrial Bank of Japan

Upham & Co.

Swiss Bank Corporation (Overseas)

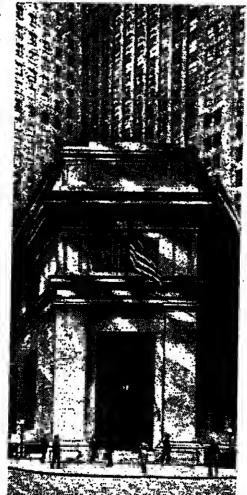


Morgan Guaranty announces the opening of an international banking office in Rome

Since 1915 Morgan Guaranty has provided international banking services in Italy, both for major companies and for the Italian government. For a number of years we served clients through a subsidiary, Banca Morgan Vonwiller. Then, in 1977, we opened a full banking office in Milan. Now we are pleased to announce the opening of another banking office—in Rome, at Via Abruzzi 2.

Morgan is in Rome for several reasons: because of the bank's historic ties to Italy; because of Rome's stature as a world capital and headquarters for major financial and commercial institutions; and because of the increasing importance to industry of the Rome area and the Mezzogiorno.

Besides the Republic and its agencies, Morgan serves Italian multinationals and many U.S. and European companies that do business in Italy. Particular attention is given to companies in international trade through the financing of exports and imports—in lira and other major currencies. Morgan is experienced in forming lending groups of banks and other financial institutions



where large amounts and longer terms are required. Morgan is recognized as a leader in solving the complex financial problems of international companies. For example, our foreign exchange specialists, who are active in markets around the world, can help you determine the best way to deal with your exposure in foreign currencies.

As a leading corporate bank Morgan is known for speed and accuracy, for meticulous attention to detail, and for extensive financial resources and business know-how—in Italy and at our strategically located offices throughout the world. If your company does business internationally, consider Morgan Guaranty in Rome and Milan.

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NYSE Nationwide Trading (3 O'clock) Feb. 28

Toronto Stocks

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NOVEMBER 1977

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BANQUE DE LA SOCIÉTÉ FINANCIÈRE EUROPÉENNE



BANCO NACIONAL DO DESENVOLVIMENTO ECONÔMICO

RIO DE JANEIRO

DM 200,000,000.-634% Bearer Bonds of 1978/1986

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Banque de l'Union Européenne Baring Brothers & Co., Limited Bayerische Hypotheken-und Wechsel-Bank Bayerische Landesbank Girozentrale

Bayerische Vereinsbank Joh. Berenberg, Gossler & Co. Bergen Bank Berliner Bank Aktiengesellschaft Berliner Handels- und Frankfurter Bank Blyth Eastman Dillon & Co. International Limited Caisse des Depots et Consignations Chase Manhattan Limited Christiana Bank og Kreditkasse Commerzbank International S.A.

Compagnie Monegasque de Banque Creditanstalt-Bankverein Crédit Chimique Crédit Commercial de France

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Effectenbank-Warburg Aktiengesellschaft
Europartners Bank (Nederland) N.V.
Europartners Securities Corporation
European Banking Company Limited

First Boston (Europe) Limited Robert Fleming & Co. Limited Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft Goldman Sachs International Corp. Groupement des Banquiers Privés Genevois

Hambros Bank Limited Georg Hauck & Sohn Hessische Landesbank – Girozentrale – HIII Samuel & Co. Limited E.F. Hutton & Co. N.V. Industriebank von Japan (Deutschland) Aktiengesellschaft Kidder, Peabody International Limited

Kansallis-Osake-Pankki Kleinwort, Benson Limited Kredietbank N.V. Kredietbank S.A. Luxembourgeoise Kuhn Loeb Lehman Brothers International

Landesbank Rheinland-Pfalz - Girozentrale -Lazard Brothers & Co. Limited Lazard Frères et Cie Lloyds Bank International Limited Loeb Rhoades Hornblower

International Limited

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Morgan Grenfell & Co. Limited Morgan Stanley International The Nikko Securities Co., (Europe) Ltd. Nippon European Bank S.A. Nomura Europe N.V. Norddeutsche Landesbank Girozentrale **Nordic Bank Limited** Österreichische Länderbank Aktiengesellschaft Sal. Oppenheim jr. & Cie. Orion Bank Limited **PKbanken** Postipankki N.M. Rothschild & Sons Limited
J. Henry Schröder Wagg & Co. Limited
Schröder, Münchmeyer, Hengst & Co.
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Sales figures are unofficial.

d-New yearly low, tr-New yearly high.

Unless otherwise noted, rates of dividends in the foresoing table are annual dispursements based on the lest quarterly or sami-acoust declaration. Special or extra dividends or payments not designated as regular are identified in the following tourious, rate plus stock dividend, c-Liquidating dividend a-Declared or paid in preceding 12 monits: I-Declared or paid after stock dividend or spitu to, I-Peid this year, dividend or mitted, deferred or no acture taken at last dividend meeting.

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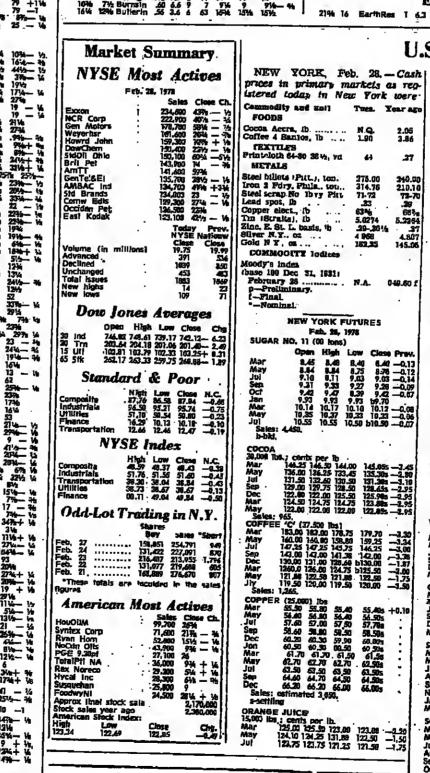
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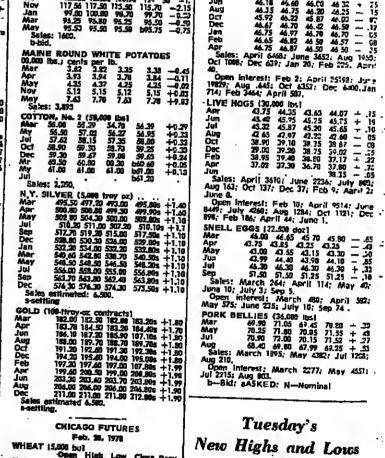
Amex Nationwide Trading (3 O'clock) Feb. 28

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U.S. Commodity Prices



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Japan Car Import Duty

TOKYO, Feb. 28 (Reuters).—
The Japanese government has abolished a 6.5-per-cent import duty on cars as a temporary measure independent of the Tokyo Round of miltinational trade negotiations, the Ministry of Trade and Industry reported.

Amex Nationwide Trading (3 O'clock) Feb. 28

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London Metals Market

London Commodities

Paris Commodities

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D'OFFRES INTERNATIONA

(TUNISIE) CONSTRUCTION ET POSE DE LA CONDUITE SOUS-MARINE

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d'offres en vue de passer comande pour LA CONSTRUCTION ET LA POSE D'UNE CONDUITE SOUS-MARINE DESTINEE A TRANSPORTER LE GAZ DEPUIS GISEMENT JUSQU'A LA COTE TUNISIENNE

Les Sociétés de Construction et pose intéressées par cel appel d'offres sont invitées à retirer le dossier corndaut à partir du landi 6 mars, 1978, à l'adresse

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Les dossiers ne seront pas envoyés. Les propositions relatives à cet appel d'offres devront pervenir su plus tard le lundi 22 mai, 1978, à 17 heures.

SOCIETE TUNISIENNE DE L'ELECTRICITE ET DU GAZ

INTERNATIONAL NOTICE OF PRESELECTION FOR TENDERS

The Société Tunisienne de l'Electricité et du Gaz (STEG) is in the process of realizing the following equipment program:

- · Construction of high-voltage lines totalling
- Reinforcement of 22 existing stations (high and medium voltage).
- Creation of new stations (high and medium valtage).

An international tender notice for the construction of these works will be lounched within the next few months and will include the following lots: Lot No. 1: civil engineering stations.

- · Lot No. 2: ossembling and testing of stations'
- equipment. · Lot No. 3: manufacture and assembling of
- lines' towers.
- Lot No. 4: construction of lines.

The equipment moterial necessary for the electric installations will be supplied by STEG.

Work is expected to stort during the 4th quarter of 1978, and the equipment will go into operation in stages between 1979 & 1981.

Contractors desiring to submit their bids may obtain the preselection documents by applyingdirectly or through the mail—at the following oddress:

Société Tunisienne de l'Electricité et du Gaz Département de l'Equipement 38 Rue Kemal Ataturk, Tunis.

Offers to the present notice must be forwarded no loter than Monday, Morch 27, 1978.

European Markets (Yesterday's closing prices ALTOSAE ALTOSAE ALTOSAE Albert Helin Algernbenk Artarobank Artarobank Artarobank Artarobank Artarobank Hebseken Hebseken Hebseken Hebseken Hebseken Rebleco Robleco Ro

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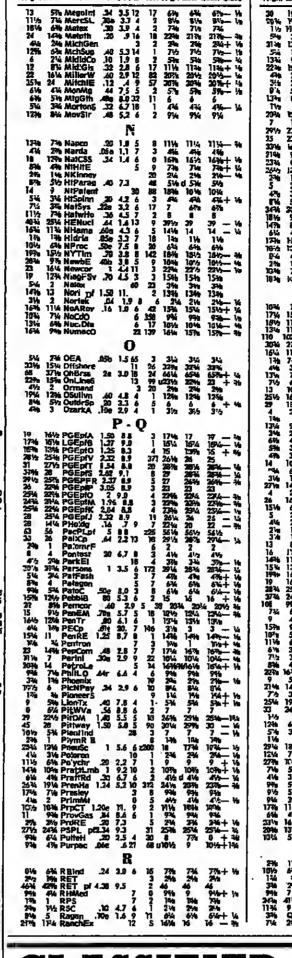
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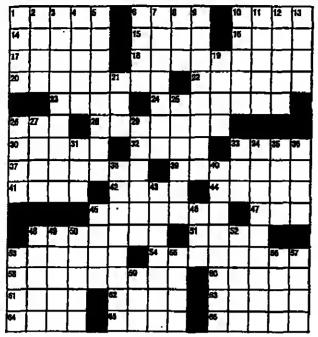
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Pesterdays readings: OS Canada at 1700 GMT others at 1200 GMT

INTERNATIONAL FUNDS ADVERTISEMENT February 28, 1978

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TO SEE YOU BECAUSE I'VE BEEN FALLING ASLEEP IN CLASS AGAIN... T

OH MY

GOODNESS!

DO YOU WANT ME

SPACHETTI SALICE?

TO HELP YOU WITH THE

(ES, SIR, MR. PRINCIPAL:

MY TEACHER SENT ME









TOO, Y'KNOW?!

SOMEONE BROKE INTO THE

THE RAKE HANDLES INTO

0

TOOL ROOM AND SAWED ALL

LITTLE PIECES











US HOW ALCOHOL PUINED HIS

MARRIAGE



REALLY MADE A.

BUNDLE

















Answer here: " (Answers tomorrow)

Jumbles: TRAIT QUAKE DEADLY FILLET Answer: This indeed sounds like a weird lake - "EERIE" istered as a newspaper at the Paul Office "Printed in Greet Britain"





WOULDN'T YOURATHER HAVE IT IN HERE WHERE YOU CAN GET AT IT THAN OUT THERE WHERE PEOPLE CAN TRACK IT IN 2"

BOOKS_

THE ONLY INVESTMENT GUIDE YOU'LL EVER NEED

By Andrew Tobias. Harcourt Brace Jovanovich. 162 pp. Illustrated with tables and graphs, \$5.95.

Reviewed by Christopher Lehmann-Haupt

reading of any financial guide when the mind collapses. This usually happens about the point when the book starts asking you if you've thought of op-tions straddles. Suddenly your head won't take in any more. You realize you've already invested ten times your hypothetical savings, when in fact, because of the bills you still owe, there isn't ever going to be even one times your hypothetical savings.
Andrew Tobles, in his witty and succinct "The Only Investment Guide You'll Ever Need," has a pretty sound explanation. for these sinking spells. The guides "that deal with strategies you how you might play a par-ticular game, but not whether to

in commodicies or options or gold are too narrow. They tell be playing the game at all. The ones that are encyclopedic, with a chapter on everything, leave you pretty much where you were to begin with—trying to choose from a myriad of competing alternatives." It's all a matter of organizing your priorities, he be-lieves. And the most basic priority is that before you can start making money through financial investment, you have to figure out how to stop losing money through simple squandening.

Who knows but that he isn't right? Certainly his program is clear enough. First I have to realize that for every additional \$100 I carn, the government takes \$25, \$35 or \$50, depending on my tax bracket. Whereas if I save \$100-by eating at home instead of at a fancy restaurant. for example—I get to keep the \$100 all for myself. So the first secret of saving is to spend less instead of earning more.
Then I begin to invest . . . in

a savings account . because even though it's boring to watch your money grow at a pre-dictable rate, and even though \$10,000 invested at 7 3/4 per cent for a year is likely to grow to \$9,900 worth of buying power, what with taxes and inflation. still there are the contingencies to worry about. And besides, after reading Tobias, I know a couple of ways of getting higher interest than a straight savings account offers, and a couple of ways of getting that interest tax aree. And then, says Tobias: "You

have some money in a savings bank; you have set up a Keogh plan or individual retirement account, if possible, and are con-tributing to it at the maximum rate allowed; you have equity in a home, if you want; you've tied up \$1,000 in a bulk purchase of tunafish and shaving cream: homeowner's insurance premi-nms by increasing your "deduc-tibles"; you have adequate term life insurance; you've paid off all your 18-per-cent installment loans (and most of your 13-per-cent loans); there is a little Hitachi water heater sitting on your roof above your well-insulated attic; and you own enough AT & T for some other solid common, or even preferred, stock) to take full advantage of the dividend tax exclusion. In short, you have done all the things that scream to be done."
So now it is perhaps time to invest in the stock market, pro-



THERE comes a point in the vided I diversify in overlocked and undervalued stocks-which Tobias tries to show me how to go about doing-and provided I buy low and sell high-which isn't as simpleminded and deceptive a piece of advice as it may sound. Also, I promise to stay away from commodities and options respecially straddles!, and to consider selling short if my broker ever tips me to a special

offering. These are the priorities, you see—all in a row and neat as a ladder, up which you climb not to wealth but to peace of mind. The mind hasn't even boggled once. Of course, were it more sophisticated about financial matters, it might ask Tobias a question. If the average stockbroker or investment analyst has no more chance of beating the market than he has of flipping a coin and having it come up heads, then why should a reader of this book expect to do any better, even if he looks for undervalued stocks and buys them through a discount broker? Or to put it another way, why can't a broker also read this book, and then serve my financial interests a little better?

Still, what Tobias has to say here is mostly as rational as a pocket-calculator. It's so full of tips and angles that only a boob or a billionaire could not benefit from it. I'm not going to throw it in the corner on the pile of unread financial guides. It's going up on the shelf for that day down the road when I no longer owe anyone a penny.

Christopher Lehmann-Haupt is a book reviewer for The New York

Best Sellers

The New York Time This list is cased on reports from more than 1,400 bookstores throughout the Onlied States. Weeks are not decessarily consecutive. FICTION

This Last Veck Week		
The Simarillico, by J.R.R. Tolkien	:	23
2 The Thorn Birds, dy Cal- leen McCullough 3 Bloodline, by Skiney Shel-	2	÷1
don	3	3
by John Le Carre The Black Marble, by Jo-	5	31

seph Wambaugh 6 Illusions, by Richard Bach 7 The Women's Room, by 9 Delta of Venus, by Anals

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 Daniel Martin, by John
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NONFICTION The Complete Book

Rudning, by James F. Fixx
2 All Things Wise and Winderful, by James Herriot
3 The Seedad Bing of Power, by Carlos Cana. neda

4 The Amilyvills Horror, by
Jay Anson

5 Coming Into the Country,
by John MoPhee

8 My Mother-My Bell, by
Nuncy Priday

7 Locking Out for Number
One, by Robert J. Rioger.
6 Innev Skiing, by W. Timohy Gailwey and Robert
Kriegei

9 Gnomes, text by Wil Huygen, illustrated by Rieg
Foortviles

9 Gnomes, text by Wil Huygen. Illustrated by Ried
Poortvilet
the Country Diary of an
Edwardian Ledy. by Edith
Holden
11 Designing Your Face, by
Way Bandy
12 The Woman's Dress for
Success Book. by John
Molloy
13 Arnoid: The Eddcation of
a Body Builder, by Arnoid
Schwarzenegger and Douglas Kent Hall
14 Down the Seine and Dp
the Polomac With Art
Buchwald, by Art Buchwald

wald wald E.B. White, by E.B. White

BRIDGE

By Alan Truscott

On the diagramed deal, South found himself in a shaky contract of five hearts. He pushed optimistically to that contract after West showed length in the minor suits with a jump to two no-trump, North supported hearts. and East put on the pressure with a hid of five diamouris. In team play, South would per-

hape have settled for a small penalty in five dismonds doubled—only 100 points as it happens -but in a duplicate he decided to try for a big plus at some risk, The opening dismond lead was won in the closed hand, and

South were able to judge the exact distribution from the bidding. He assumed that West held five cards in each minor suit for his "unusual" jump, and as a singleton specie might well have been led in the hope of a ruff, 2-1-5-5 seemed likely. A heart was lead to the king.

and the appearance of West's ten was a welcome sight. The heart nine was finessed successfully, and West threw a club. The crucial moment had now arriv-ed: Spades had to be developed without allowing East to gain the lead quickly.

The spade jack was led, and West covered with the queen. If he had ducked, South would have had to guess the position. As it was, the queen was allowed to win, and West had to make a

key play. He tried another dismond, which was not the best-South ruffed in durany and led a spade, removing Bast's acc. A club shift was won with the acc. and the last trump was drawn, after which the chib loser could be discarded on dummy's last

South's dummy-play was very well conceived, but he could have been defeated. After winning the spade queen, West could have continued that suit allowing fast to take the ace and best the contract. Either by leading a trump to stop the dismond ruff or s elub to break South's lines of communications.

NORTH ◆K9754 ♥K52 410762 WEST (D) EAST A 16 ₽3873 OK10852 4KJ943 **485** SOUTH

OAQ264 AAQ . North and South were vulnerable. The

Pass 2N.T. Pass Pass 5 0 30 Pass Pass P255 West led the diamond queen,

NCAA Investigators Accused of Bribery

By Gordon S. White Ir.

National Collegiate Athletic As--detion investigators were chargd yesterday with using bribery s a means of obtaining informaion against NCAA member colages, and one NCAA investigator has accused of calling off his pourry of the University of Misissippi after an athlete there wocured a woman for the investi-

These allegations were made by Brent Clark, a former member of he NCAA enforcement staff of nvestigators, as the House subcommittee on oversight and inhe operations of the governing ody of intercollegiate sports. Clark an attorney who resigned

Kentucky Leads Basketball Poll

NEW YORK, Feb. 28 (UPI).-Kentucky has regained the No. 1 rating in college basketball with the support of 27 first-place votes from the UPI board of

with a 20-0 season record. Kentucky registered 351 points to replace Marquette at the top of the rankings. UCLA moved up a notch to second place with seven first-place votes, while Marquette dropped to third place with two first-place votes.

Arkansas remained in fourth place, but this week picked up some first-place backing as two coaches voted the Razorbacks

Kansas moved up a notch into fifth place, changing positions with New Mexico, which dropped to sixth. De Paul stayed in sevsolution place, North Carolina in righth place Michigan state in minth place and Notre Dame moved into 10th place.

College Basketball

Missouri Valley Conference Playoff
Reader 75, Wichita St. 71.
Drake 75, Bo. Illinois 58.
Indiana St. 90. West Texas 71.
New Mexico St. 76. Tubas 75.
East Conat Conference Playoff
American 97, Holsira 77.
Bucknell 88, West Chester St. 73.
Lehigh 67, Rider 68.
Joseph's 90, Drexell 80.
(UNY Tournament Champlonship
CCNY 64. Brookby Coll. 58. CCNY 64. Brooklyn Coll. 58.

Arandels 90, Tufts 63.

Holy Cross 99, Bostom Coll. 98.

Mass. 71, Pittsburgh 68.

Providence 85, Long Island U. 62.

St. John's 69, Nagara 69.

St. Bonaventure 75, St. Francis 72.

Syracuse 100, Cantains 59.

Alabama 21, Florida 76. Kentucky 78. Georgia 67. Lettsville 94. 84. Louis 56. Missisalppi St. 23. Auburn 82. Tennessee 59. Vanderbiit 46.

WHA Leaders

	GP	G	-	ru
fardif, Que	64	42	62	110
J. Milston, Wpg	56	29	76	105
Jadberg, Wpg	58	B2	46	96
Inll. Wpg	61	41	56	96
Joutler, Que	58	40	52	9.
C. Nilsson, Wpg	61	32	47	73
Acroix, Bog	57	25	54	72
torek. Cin	60	42	34	76
3. Howe, NE	58	26	46	72
educ, Ind	60	20	37	66

NHL Results

Monday's Games Cleveland 3. Vancouver 3 (Hampton, Jenry, Pidler: Martio 2, Walton). Allana 5, NY Rangure 3 (Pleu, hughard. Clement, Bouston, Mulhern; Doguny Vickers, Liurdoch).

NHL Leaders GP G A Pis

Touter, NY 1	66	38	6.2	100	
Affeur, Wil	88	43	55	98	
ditter. Tor	59	37	51	88	
erreault. Bfl	60	38	38	76	
emaire, Mtl	26	25	56	75	
'oryin, NY I	61	23	52	75	
kasy. WY 1	54	45	29	74	
fcDonald, Tor	53	35	31	85	
illies, NY I	61	25	41	66	
'Alerrai, Colo	60	22	43	65	
Sarke. Pha	53	18	47	65	

NBA Result Moodsy's Game Cirvelend 116, Houston 97 (Russell 5. E Smith 21; Murphy 26, Newlin 20).

NBA Leaders

	G	FG	FI	Pts	A
faravich, NO	47	542	239	1323	28
lervin, SA	59	625	367	1617	27
hompson, Den	59	581	295	1558	26
Acadoo, NY				1516	
bdul-Jebbar, LA.	41	424	193	1041	23
anier, Det				1337	
Vestphal Pho	53	582	299	1463	25.
with Buileio .	67	533	309	1375	24.
ing, N.J.	âB	584	128	1396	34
brew, Atlanta	53	461	336	1260	23

WASHINGTON, Feb. 28 (NYT). from the NCAA last December and now serves as a counsel to the House subcommittee, said, "I believe that the NCAA enforcement machinery allows NCAA personnel to inflict selective punishment upon institutions, selections based not on reports of violations so much as politics and

> Tryout Offer Reported He made the following charges against NCAA investigators:

balance sheets."

 Bell Hunt, director of the NCAA enforcement staff, allegedly offered Major Jones, a former Albany (Ga.) State University basketbau player, a tryout with the Kansas City Kings of the Na-tional Basketball Association in exchange for information about rules violations not necessarily concerned with Albany State.

Douglas Dunlop, a former NCAA investigator, allegedly offered to serve as an agent for Wayne (Tree) Rollins, a former Clemson basketball player, if Rollins would give Dunlop information concerning Clemson rules violations. Clemson's basketball program was subsequently placed on probation by the NCAA for violation of association regula-

 James Delaney, a member of the NCAA enforcement staff, al-legedly stopped investigating the Mississippi football program after James Jordan, an Ole Miss football player, provided Delaney with a young woman. Clark indicated that the Mississippi case involved Jordan, who was a starting middie guard in the 1976 season.

Charges Denied Dunlop, now an attorney for the U.S. Olympic Committee, said from his office in New York that he never made such an offer to

Referring to the charge that Hunt offered to get Jones a tryont with the Kansas City Kings through Joe Axelson, general manager of the NBA team, Axelson said, "I know nothing about it. We never tried Major Jones out. I definitely deny any part

Jordan, who is etili a student at the University of Mississippi, issued a statement through the sports publicity office at Missis-sippl, stating, 'I will have absolutely nothing to say concerning this matter unless I'm speaking face to face, in person, with an official of the NCAA."

A spokesman for Mississippi said that Jordan was dismissed. for disciplinary reasons. Ken Cooper, Mississippi's head foot-ball coach when the alleged proed after the 1977 season and was not available for comment.

Long Hearings Due The aubcommittee on oversight and investigations began its prohe of the NCAA last October. Rep. John Moss, D-Calif., the subcommittee chairman indicated that the public hearings will continue through the spring and aummer with as many as 80 witnesses. Clark was the first witness and occupied the entire day

of hearings. The former NCAA employee said that investigators intimidated college athletes in order to get information about rules violations so that the NCAA infractions committee could penalize the coileges and coaches involved.

Clark listed a number of alleged NCAA practices that troubled him. "Taping of telephone conversations without the other party's knowledge was routine," he said. He said these taps were made by the NCAA staff at its headquarters in Shawnee Mission, Kan, to record talks with college officials.

Clark also said that Hale Mc-Menamin, a former FBI agent now working as an NCAA investigator, "made extensive use of a whole network of former FBI agents to gain access to all manner of confidential and classified information not otherwise legally available."

Clark said the NCAA enforcement machinery deprives its member institutions of the tools to defend themselves in the face of an NCAA staff with almost unbridled power.

Grand Prix racing 'represents a form of competition that most people would like to be a part of, yet they prefer to see others doing it. Because they all drive cars. they like to think they could be race drivers. They have the fantasy. Yes, they would drive if they could-but they can't.'

Stewart Enjoys Life's Grand Prix

By Dave Kindred

WASHINGTON, Feb. 28 (WP). Jackie Steward, world champion. The words seem to belong

Three times the little man won the formula I racing champlonship. In Monaco, Princess Grace and Prince Rainier hava him in for dinner King Carlos of Spain inquires about his happiness, now that he's out of racing. Heads of state—whether in Europe, Africa or South America—seek the pleasures of power, and it makes them happy to call a Grand Prix legend their friend. "The barriers of society fall," Stewart said, "when you are world champion."

Four years retired. Stewart is enjoying life. 'It is a kaleidoscope," he said. "All the colors, visions, shapes I live so fast that, to some people, it may seem a blur. Once, I was living in a cocoon, Tunnel vision, I could drive from my home Switzerland to an airport 15 minutes away, where a plane would be waiting to take me the large airport.

No Waiting List

"I'd board the plane directly because of who I was. At the other end, in South Africa or Timbuktu, a limousine would take me to a hotel suite. A helicopter would transport me to the race itself. If it were a race in Europe, I would be back home Geneva for dinner." Nice

"Not after 13 years. I was so organized, so computerized. I'd been doing the same thing for 13 years. Any man with any imagination will change the path he walks after that time. He will not walk the same path

'I know I will never replace the sensations racing offered me. But I also know that if I stayed, I would have stagnated. It was

So in April, 1973, he made a secret decision to quit at season's end. He won the championship that year, although he did not drive in the season't last race, at Watkins Glen, N.Y. His friend and teammate Prancols Cevert was killed in practice the day before that race.

Connection Denied

"Many people have connected my retirement with winning a third championship or with François' death," Stewart said.
"In fact, I had told my team manager, Ken Tyrrel, in April, that I would retire in October. It was only out of respect to François that I didn't race that last day. It would have been my 100th Grand Prix."

Stewart sat in a booth at a motel restaurant near Daytona International Speedway, where he worked as a television commentator for last Sunday's Daytona 500 stock-car race.

"I retired so my life might be my own. I am here today because I want to be here. I have all the money I need for my family forever. It is my choice now how I live, and I am en-

toying it." Stewart is 38 years old, a sharp-faced Scotsman who quit school at 15 to work in a garage. A worshiper of Jim Clark, he hecame his idoi's successor, the greatest Formula 1 driver in his

Stewart on Racing

time.

Now to hear Stewart talk about racing is to hear a man in love shout his belowed's virtues from a rooftop. · Why men race "The sport

represents a form of competition that most people would like to be a part of, yet they prefer to see others doing it. Because they all drive cars, they like to think they could be race drivers. They have the fantasy. Yes, they would drive if they could—but they can't. Just as Rostropovich plays the cello, as Glenn Miller did his thing and the Beatles theirs, people are gifted in certain ways by God. Some are given the gift to drive race cars, Still, of 26 Grand

perhaps only two, turn the gift. them, if they were needed, could to greatness."

o On Grand Prix racing contrasted to U.S. oval-track racing-In Formula 1, the cars are so highly sophisticated. True, stock cars are enormously powerful care thet travel at high speeds. But they are turning only left, instead of left and right as we do on the road courses. They seldom use brakes, they seldom use gear

"What we do, in Pormula 1. relates more closely to driving as the spectator knows it. In American drivers. I see a certain lack of versatility."

On concern for his safety while driving-"I had a doctor with me at every race, I considered him my insurance policy. I made a study and found the very best anesthetist in Europe. ha couldn't keep me alive, it emildn't he done. He flew to every race three days early. It cost me a fortune, but was worth every penny. I contacted other doctors, took the hest neurosurgeon, the best hurn man. Called by me, personally, before

Within an hour's notice, all of he at any hospital in Europe. I had a jet waiting, equipped with oxygen, to take me to London, Paris, wherever would he best.

"I knew when the season started every January, I would have two major accidents that year with the potential to be seriously injured or killed. It was up to me to minimize the extent of the injury, to assure the least amount of vulnerability. I'd seen too many drivers die because no one was there to save them."

 On courage—"Courage ranks low in making a man a great driver. Bravery doesn't exist. I never saw myself as a courageous person. I recognized risks, yes, but bravery for bravery's sake is sometimes blind and downright. stupid. I drove only one time when I was frightened. It was in the rain. I raced on and finished third, but it took great, great determination to finish. Others were racing at 180 mph, so I couldn't put my car down, When it was over, I was drained from fear. That day, some courage



THE GLORY YEARS-Jackie Stewart wearing the winner's wreath after a 1973 Grand Prix race in Germany.

Ali Will Visit Russia Soon, Says He'll Go as Champion

WASHINGTON, Feb. 28 (WP). -Muhammad Ali is going to Rus-sia with love for all mankind, he said yesterday after an affectionate clinch with Ambessador Anatoly Dobrynin at the Soviet Embessy.

Ali wanted assurances from the ambassador that "they won't drop a satellite on me there," that he would meet Leonid Brezhnev, the party leader, and that he would be provided with two sparring partners for exhibitions. Just back from Bangladesh, All

said he is going to the Soviet Union to help relations between the United States and Russia. At the embassy he said he knew Soviet athletes were well disci-

Swiss Autopsy Denies Drugs Killed Athlete

LUGANO, Switzerland, Feb. 28 (UPI).—An autopsy on a U.S. basketball player, Pessor Leon-ard, showed he died from carbon monoxide poisoning and not from an overdose of tranquilizers, the Swiss police said today. Leonard, 25, from Columbus, Ohio, was found dead in his

room in Canobbio, near Lugano, on Feb. 20 with an open bottle of tranquilizers beside him and a number of burned posters scattered around the apartment. His body was discovered hy his Federale Lugano cluh teammetes, who broke into his apartment after he had been absent from training for three

By Dave Brady imagined they followed orders hy giving mock salutes.

plined, then mimicked how ha

He also asked if people in the Soviet Union knew him and was assured they not only did hut also were familiar with his opponents.

training for a rematch with Leon Spinks, Ali, who lost his title Feb. 15, said he is down to 219 pounds and would be at 210 by the time they fight again "in three or four months." All weighed 228 pounds when he lost to Spinks on a split decision.

"I intend to be the champion again hefore I go to Russia," Ali said "The experts are going to say, 'What's he doing, weighing only 210 pounds?' I am going to be dancing from Round 1 to Round 15, if I have to. No ropea-dope defense. I won all the rounds when I danced in my last fight with Spinks. I am going to lighten my weight.

"I couldn't dance at 228 pounds, That was what I weighed at fight time. I had to get down from 240 pounds to 224 1/2 the day before the fight. I didn't train right. I didn't take Spinks seriously. I was eating the wrong food-hotel food. I didn't have my cook with me. I gave away the first five rounds.

'Now everybody says I'm old [at 36]. Everybody is writing my obit. But I shall shock the world. I will win the title for the third time, then I will retire and say. Beat that record?"

Anyone for Tennis? 10 Million Fewer in U.S.

NEW YORK, Feb. 28 (AP). -Lost: 10 million U.S. tennis

Last sighted, they were wearing \$50 shorts, \$25 shirts with a crocodile on the chest, \$65 warmup suits and \$45 kid shoes. They were carrying two \$75 rackets in a fancy satchel and were racing toward the closest indoor hubble.

Anybody seen them? Where did they go? And why?

"Just got fed up," the Sports Training Institute of Chicago said in reporting on what it pictured as the greatest mass exodus since Moses ied the Israelites out of the wilderness. Within the last decade, tennis became the fastest growing

participant sport in the country. Its ranks mushroomed from 6 million players to 30

The 'In' Thing

It was the "in" thing. A person couldn't go into an airport without seeing scores of travelers lugging tennis equipment under their arms. Indoor com-

Real estate couldn't be cleared fast enough to huild the courts in demand. Sporting goods stores, instructors, publishers and promoters prosper-

ed. The tournament players became the millionaire elitists

of professional sports. Then something happened. the Sports Training Institute A wave of disenchantment set in among the new recruits. Learners lost their interest in clusters until the casualty list, by the institute's count, numbered 10 million. What happened?

It was a question the institute decided to answer, so it assigned researchers to student dropouts, instructors and court operators. This is what they found. Listen to the deserters

"Learning was not fun. It was actually quite frustrating." "I was making a tool of myself out there."

"The byped-up advertising and promotion made you feel like a second-class citizen if you didn't have a \$75 racket \$25 shoes and color coordinated Warmups.

"If a guy says, 'No. I don't want to play, I just like to hit 'em,' he's considered some kind of nut. 'Tennis did not give me the

exercise or the trim figure I expected." There are faster ways to get Instructors had their own

rersions: "TV discouraged many who could see they would never

make the big time," "They swarmed out on us They came flabby and uncoordinated-totally out of condition-and expected us to turn them into a [Jimmy] Connors or a [Chris] Evert in 10 easy

They refused to practice he-tween lessons. Their attitude was. 'OK, I paid my money. Make a tennis player out of

lessons."

The manufacturers, ad agencies and the press made gods out of the champs." Operators checked in with

various excuses: "Tennis was oversold to the public as a magic key to health, companionship and prestige."

"Instructors' methods were authoritarian and rigid, heavily influenced by Vince Lombardi. Very few returned for more

The marketing strategy of tying into celebrities hurt in the long run. Anyone with a few bucks can huy Chanel No. 5 whether or not they look like Catherine Deneuve. But wearing the same shoes as Chris Evert won't get you to

Brazi, unless Atletico meet his

demands of a \$750,000 contract

once his three-year engagement

And not that Bayern Munich,

still looking to replace the vold

ieft by Franz Beckenbauer, would

hesitate to step in if Atletico

Outcome Uocertain

The two other competitions-

the EUPA Cup and the Cup

Winners Cup—contain between them three outstanding ties. In

EUFA, Aston Vilis, the English

Midlands team, faces Barcelona

with an unpredictable outcome.

Villa, with Scottish forwards

Andy Gray and Alex Cropley in-

jured and also England defender

John Gidman sidelined, has el-

ready taken Spanish scalps with

weakened teams while Barcelona,

for whom manager Rinus Michels

and star Johan Cruyff insist this

is their final fling, has already ousted Ipswich after the English

club held e 3-0 first leg advan-

In the Cup Winners Cup,

FC Porto of Portugal meets Anderlecht of Belgium, Porto

victors in two amazingly high-

scoring games with Manchester United and Anderiecht former

winners of the trophy, although a

team scouring Europe for a goal-

Anderlecht, on paper, is the

favorite, but in the other Cup

Winners Cup tie of note it is

anyone's guess whether Betis of

Seville, one of Spain's most im-

proved clubs can defeat the last

remaining Russian competitor.

The Russians are dour, but effective, as 17 draws in 30

league games last season suggest.

They got this far only on penalty

kicks against an unranked Ro-

manian opponent, but who, these

days, can make anything of

Russian form? European soccer, with ali its imponderables, is back

NEW YORK, Feb. 28 (Reuters).

-Carlos Palomino, the World

Boxing Council welterweight

champion, will defend his title

against Mimoun Mohatar in Las

Vegas, on March 16, it was an-

Palomino to Fight

nounced here.

Dynamo Moscow.

runs out this summer.

The Soccer Scene

Long European Hibernation Ends

Italian league, like Liverpooi

performed below its best during

the winter break in European

competition. But, with seven

full Italian internationals on its

team, it should account for its

rivals. Aiax of Amsterdam, an-

other club whose past is more

Little Trouble Ahead

Borussia, in spiendid form

while others have dithered, really

doesn't expect too much diffi-

culty in erasing SSW Innsbruck

be that Jupp Heynckes, the goalscorer whose injury cost a

great deal last year, suddenly

has a chance to break back into

West Germany's World Cup

plans now that Dieter Muller.

Cologne's leading goalscorer, is

out because of injury. Heynckes

may be the wrong side of 30. but be, and the European player

of the year, Allan Simonsen, are

the most prolific pairing in the

faint of heart. Bruges, which won

the Belgian league and cup last

a solid, redoubtable team, plays

Atletico Madrid, the "Spanish"

team of South American exiles. Luis Pereira, Atletico's Brazilian

sweeper, is maintaining the

bruising form he displayed in the

1974 World Cup, and has twice been sent off already this sea-

Finally, a match not for the

Not least of its motivation will

giorious than its present.

from its path.

competition.

By Rob Hughes

LONDON, Feb. 28 (IHT).-The qualities that a year ago made Boh Paisley Europe's most successful soccer manager have never, in his 58 years, been thought to include the oratory of a Churchill. But, then, neither was Pais'ey considered beforehand to possess the cunning on which Liverpool was built by his predecessor, the sage Bill Shankly.

Never mind; Paisley, a man of few words from the northeast of England, simply got on with the job of winning even more then Shankly hed done: Both the English league title and the European Champions Cup in the time sesson. And, now that the European tournaments come out for play again after the winter's hibernation, Paisley is even prepared to have a go with the

"Cometh the hour, cometh the men: cometh the European Cup, cometh the team," he quips. Those who know Paisley's flattened vowels will best eppreciate both the humor and the intended warning in thet doctored quotation.

fying for the less-important English league cup final, is a changed team, yet one that is suddenly again in indomitable form efter wavering badly during the winter. Now, however, it is more than ready to take on Benfica in the European Cup: ready after a most impressive victory over Manchester United by 3-1 last Saturday. and after a poor run in which manager Paisley had to remind his men, "The biggest lesson of soccer is you get nothing for yesterday."

year and which is never less than

Omens May Help

Benfica, the 1961 and 1962 champions of Europe, had better helleve that Liverpool is, as its boss says, coming good at the right time. Managed itself by an Englishman, John Mortimore, the former Chelsea center-half. Benfica is in an incredible run of 46 unbeaten games. Yet, having seen Liverpool during its "off" spell thrash SV Hamburg. 8-0, on their television sets, the Benfica players admit they are

Yachting Site Chosen

ARLINGTON, Va., Feb. 28 (UPI).—The U.S. Olympic yachting committee has selected Newport, R.I., as the host city for the 1980 Olympic yacht racing trials. The other cities in contention for the event were Rochester, N.Y., and Cleveland.

In the Dugout, Mantle Has Spring Fever

enjoys the small illusion that

Feb. 28 (UPI).-The dugout always was Mickey Mantie's private little prison, and it

Waiting to get out there on thre field, he shows his impatience. patience. His hands grip the edge of the hench, he leans his head forward end his eyes keep searching and trying to take

in everything that'e going on in

front of him. Nearly 10 years have gone by since Mantle last played for the New York Yankees but the desire is still there as he helps his friend, Billy Martin, as one of the Yankees' spring-training instructors, a job he happily takes on every year.

In the Middle Distance Generally, in the Yankees' camp, Mantle is found out on the field because there's nothing in the world he loves more than the feel of the grass under his feet and the sun warming his 46-year-old bones as he

<u>and the state of </u>

he's going to wake up suddenly and find himself playing again. "I'd give anything to be playing again," he says, focusing his gaze around second base, where Bucky Dent and Mickey Klutts are turning over a double play.

and talking. "You know, when you're 25 and you're playing, you think to yourself. Boy, this is all right and it's never gonna end. Then suddenly one day it's all over before you realize it.

"A lotte kids send me scrapbooks they kept of me. I guess they feel they're too old to keep 'em anymore, so they want me up early in the morning and up early in the morning and looking at the pictures, I don't even think they're me. They look like someone else.

'I'm here now because I love it," he says. "It meant a belluve lot to me when the Yankees won the rennant last year. I had goose pimples. We had been down so long-and when I say 'we.' I mean it. I'm proud I was a Yankee and I'm proud to be wearin' these pin-stripes. Worried About Martin

"I didn't believe all that stuff about the controversy on the team last year. To me, it was Mantle keeps watching them just good-natured bickering. We had the same thing when we played. Bnt when I read those stories in the papers, I felt bad for Billy. I was afraid be might get fired."

After he retired from the Yankees, Mantle had it rough for awhile. He made a number of had investments, but now he's in good shape egain. working for a life insurance company in Dallas as vicepresident in charge of special

Still, his heart is on the field. "I think what I miss most is the companionship," he says. "I like to hear the players get on each other, the way we aiways did .. It reminds me of

son. Not that that is stopping him petrified by the European chamfrom threatening to return to

Mortimore predicts a "catand-mouse" game before 70,000 seated customera in Lisbon's magnificent stadlum, with neither side prepared to give the ball away, risks at a premium. Benfica's chances of disrobing the champions depend on how much you believe in omens: the team has appeared at Wembley, London, in two of the last

three European Cup finals held there and London is again the site this year. There ere, of course, six other teams in the competition that will do everything they can to ensure neither Benfica, champions of old, nor Liverpool, the reigning masters, reach Wemblev. Among them are Juventus. many people's idea of the favorites, and Borussia Monchengladbach, beaten in last year's final. Juventus, again leading the

Mid-Season Waver

Liverpool, despite recently quali-

Yesterday's Liverpool team had, the manager said, been "killed by kindness," smothered by the backslapping, the invitations that came their way. Their form became so erratic they are now, to quote Paisley once more, "only in fourth place in the league, our worst for a decade." See, the man just doesn't talk!

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STILL THE FAN'S FAVORITE-Mickey Mantle signs autographs in Florida.

Singles Bar Scene

comes entirely from reading re-I gather they are places where a girl like Diane Keaton can get herself murder-

ed. Also that they are filled with what Steve Martin calls "wild and swinging guys" and a species of feminity called "chicks."

Naturally then, I scarcely lifted an eyebrow at gossip that Pres-Baker ident Cartors number one man,

Hamilton Jordan, had thrown a drink on a woman in such a place. I am ashamed to confess that when it was first reported I immediately assumed it was

This was not because of uny suspicion that Jordan is not a true gentleman, but because of my own ignorance and confusion about contemporary etiquette between the sexes. In the straoge society of singles bars, it seems to me, throwing a drink on a woman might very well be an accepted way of advancing a

From Jordan's array denial and the ensuing fuse in swinging Washington I now gather that this is not acceptable conduct, but I am still uncertain about what forms of behavior are perrelgain gaigaiws games eldissim at their bars.

The bars I frequent are mostly for thred husbands and in here it is perfectly acceptable for a man to throw a drink on another man provided he is willing thereafter to step out-This leads to many refreshing relationships. If a man throws a drink on a woman, bowever, he is thrown outside The solitude of exile is the social punishment of the man who violates the etiquette of the tired husbands.

On balance, my opinion of singles bars has risen since discovering that throwing drinks on women is frowned upon just as it is in the tired husbands hars. Relationships between the sexes have become so baffling now-adays that it is comforting to find a common thread of social agreement between at least two

drinking communities. There are some feminists I suppose, who will see only insult and discrimination in an etiquette that denies a woman the right to receive a thrown drink in Considered rationally, their point is sound. If a man can go into a bar and have a

By Russell Baker NEW YORK-My knowledge of drink thrown on him by another what goes on in singles bars men, while a woman can't, there is a clear and devastating imviews of 'Looking for Mister plication that the woman is regarded as weaker than me, as a creature in need of protective social restrictions and, in short,

as a sex object.

I have no desire to inflams wemen who take this view. I see the merit of their case but simply cannot bring myself to throw drinks on them. For this rison I avoid the more cosmooction bars in midtown and downtown Manhattan which are likely to attract feminists apt to make a nasty scene if I throw B drink on a male gossip columnist but not on my wife.

This uncertainty about how a man may conduct himself in the presence of a woman is one of the difficult by-products of the feminist movement. It isn't limited to the small question whether you should throw a drink at this woman to establish that you aren't a male chanyinist or whether you ought not to throw a drink at that woman because she lives by the code of the ADDIES DETS.

make human contact with a Recently a successful viewer that all men are rapists. "My good woman." I was about to argue, "now you have gone too far," but her interviewer interrupted me. Men that don't rape violently, she went on, "rape you with their eyes."

Since reading this, I have averted my eyes whenever a woman

approaches on the street. that I am certain there are still many women who desire men to look at them, who do not at all regard a cool giance or even an interested stare as rape, who are discouraged and saddened in fact, if men do not look at them.

duty to these women who pass him by thousends daily in the streets without risking commission of bestial eye rape upon the sensitive feminists who walk among them loathing his swinish

The only safe course nowadays

is to avoid women altogether until they have fully informed you. preferably in writing, of the social codes they expect you to observe in regard to looking, throwing drinks and all other don't know how to get them to write you this information if you dare look at them long dont enough to meet them. You probably can't. That's probably why so many New Yorkers who can't afford psychlatzists go to tired

Tracking Down Belgium's 'Seven Wonders'

By Jan Sjöby BRUSSELS (THT) For al-most a decade now, the Bel-

gian National Tourist Office has been arranging special "national years" to highlight various aspects of Belgium's rich cultural and natural heri-There was a "Year of Mills" and there are plenty of

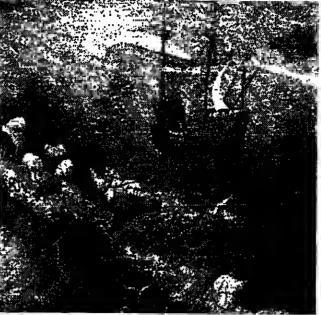
quaint old mills sprinkled over the nine provinces, some of them, like the Moulin Hideux in Luxembourg Province and the Bellemolen in the Flemish half of Brabant, having been turned into carriage-trade restaurants and hostelries. The "Year of Castles and Chateaux" in 1970 turned out to be such a success that it was carried over into 1971. There followed the "Year of Abbeys and Convents," of "Folklore." of "Cathebrals and City Halls," "Landscapes, Parks and Gardens," and, in connection with Peter Paul Rubens's 400th birthday anniversary, the 1977 "Year of Rubens and the Museums," Arthur Haulot, poet, scholar

and commissioner-general for ourism in Belgium's Ministry 'or Communications, must have and a tough time deciding on the theme for the 1978 "nabionel year," so much having been covered already. He finally settled for "The Seven Wonders of Belgium," intending to present a representative though compact cross section of Belgian art and artisanship, spanning some five centuries from medieval Mosan art to Rubensian Flemish Baroque.

must have an even tougher time choosing among the thousands of masterpieces tucked away in museums, cathedrals, parish churches and stately mansions but, with the aid of Belgium's most distinguished art historisms, he settled for three in Flanders, three in Wallonia and one in Brussels.

Enigmatic

The Brussels "wonder" is Pleter Brueghel's "Fall of Icarus," probably painted between 1554-62, on permanent display in the ancient art section of the Royal Museums of Fine Art in the Rue de la Régence. The title of the work is enimatic: The main characters in the canvas are a farmer tilling his field and a shepherd tending his sheep while a ship under sail is making its way up, or down, a mountain-ringed estuary. One has to look long and hard to detect the title character; only



Detail from Pieter Brueghel's "Fall of Icarus." one of Belgium's "seven wonders," in Brussels.

Adoration of the Lamb" by the

Van Eyck brothers, Jan and

Hubert, in the Cathedral of

St. Bayon in Ghent, Painted

between 1420-32, it is one of

20 panels in a polyptych on the

theme of redemption through

the sacrifice of Christ, A foot-

note: Little is known about

Hubert Van Eyek and doubts

have sometimes been raised as

to his very existence. The story

goes, however, that the work

was started by Hubert and

finished by brother Jan, 20

the detail, the harmony of the

composition the luminous colors

and the serene atmosphere are

all factors that signal a decisive

turning point in 15th-century

St. Barcholomew, stands an

elaborately decorated baptismal

font by Renier de Huy, dating

from between 1107-18. The

sides of the brass basin mes-

suring 80 cm across, depict the

baptisms of Cornelius the cen-

turion, St. John the Bantist

preaching and the baptism of

motif is the baptism of Christ

by St. John. Renter is his-

torically a rather foggy per-sonage, but a chronicle has it

that he was a noted citizen of

Huy and official goldsmith (and possibly coiner) in the service

of the bishop of Liege.

AUTOMOBILES

publican. The central

In Liège, in the Church of

The precision and realism of

vears his junior.

Flemish painting.

his legs and an arm are showing as the unfortunate aviator sinks into the brine. A setting sun provides the light. "Rubens Year" lingers on in Antwerp's magnificent cathedral where Peter Paul's "Descent from the Cross" has been chosen as one of the magnificent seven. The monumental painting representing four years of work (1611-14) forms the center panel of a triptych. The altarpiece was ordered by the Guild of Harquebusiers (of which Rubens was a member) for their chapel in the Church of Our Lady and later removed to prominent display in the os-

Bruges is represented by perhaps its greatest artist, Hans Memling (c. 1433-941. The shrine of St. Ursula and her 11,000 virgins is an elaborate reliquary in high Gothic, depicting, along with assorted saints six episodes from the legend of the saint and her vast entourage. The portable structure reportedly contains relics of the saint and the 11,000 virgins, who were slaughtered by the heathen, and an egnostic may wonder how a container the size of an old-fashioned steamship truck can hold it all. But it is a marvelous piece of work, well worth an hour or two of close inspection, though a cer-tain familiarity with the legend is very helpful. The reliquary is on permanent display in the

The treasure in the Cathedral 800-year-old Hospital of Our Lady in Tournal, the of St. John a sight in itself. sixth "wonder" is the shrine The fourth "wonder" is "The of Our Lady. It is shaped like

It is the last preserved work by Nicolas, marking an important stage in the development of the style of the Mosan goldsmiths, whose influence in the 1200s spread beyond the Mease and the Rhine and well into Central Europe. The institute of the Sisters of

piece in 1205.

Our Lady, in the Rue Billiart in Namur, houses Belgium's seventh "wonder," the treasure of Hugo d'Oignies, some 40 objects all told, created c. 1228-38. Hugo settled in Oignies sometime after 1187 and worked as goldsmith for the religious community founded by his brother, Gilles de Walcourt. His style owes its originality to the way he developed marginal decor by drawing inspiration from the vegetable, animal and human

wood, overlaid with chased and

gilded silver and has elaborate

filigree work set with precious

stones. The short sides are

shaped like arcades housing al-

legorical figures which stand

out against a background of

blue enamel. According to an

inscription at the base, Nicolas

de Verdun finished the master-

Influence

Perhaps most notable in the collection is a Cospel book with caken covers, overlaid with embossed and partially gilded silver leaf. On the front cover is Christ the King, the back depicts the Crucifixion. The chalice made for his brother Gilles is in gilded silver with niello inlay. A crescent-shaped reliquary in glided copper with silver inlay reportedly contains a rib of St. Peter.

The "seven wonders" present a unique opportunity for a visitor with limited time who is interested in the period of Belgian art covered in the program. The "national years" are generally geared to a foreign public: the Belgians themselves are a generally sophisticated lot who know all or most about it all and need no or little guidance. Special brochures, in French, Dutch, English and German, will be published as the tourist season draws near The year will be officially inaugurated by Queen Fabiols on May 2, but pre-season visitors still have a chance to see all or most of the "wonders" all of which are on permanent display. It may be wise to phone shead to find out when the treasure troves are open to

PEOPLE: Steinbeck's Home Town Makes Him Respectable

ees thought of naming a school

after him and wrote to the author

for his reaction. "If the city of my birth should wish to perpet-

mate my name clearly but harm-

lessly," he replied. 'let it name

a bowling alloy after me or a dog

track or even a medium-priced,

ow-church brothel-but a school!

The results might be disastrous

not only to me but to the future

generations of young people of the

MARRIED: Former San Fran-

cisco Mayor Joseph Alioto to

Boston School Committee mem-

ber Kathleen Sullivan in Now

York DISSENTING: Angelina

Alieto, who says the ex-mayor is

still married to her. She claims

that the Rev. Joseph O'Rourke.

the officiating priest in Monday's

ceremony, had been excommuni-

cated for participating in several

marriages involving divorced per-

sons. The New York City arch-

diocese confirmed that, but noted

that the marriage was invalid

from a religious viewpoint only.

Angelina, who bitteriy contested

Alloto's divorce suit, sald: "As long as Joe Alloto and Angelina

Alioto live, they are husband and

wife before God and man and

cannot be remarried under any

circumstances until one or the other dies." The newlyweds were

reported honeymooning in Paris

A disease has lost its name in

New York. The State Senate ap-

proved a measure forbidding

state officials from using the

describe a mysterious illness that

emerged during an American Legion convention in Philadel-

phia two years ago. The ban

was sponsored by legislators who

war veterans. The State Senate

didn't say what word officials

said the name was offensive to

early this week.

should substitute.

city of Salings.



Joseph Alioto ... remarried.

some time now, but a non-

artist? To his famous portra! mibjects, he was known as Charles J. Fox and for 40 years his pictures carried those initials but in a Miami tax court Monday his cover was blown, Lec Fox told federal Judge Samue Sterritt that the artist behing the signature was actually breing Resnikoff, who never met any. one he painted. Remikoff, 81 lives in a Manhattan spartmen and did the paintings from photographs, Fox said. Fox collecter as much as \$7,000 per portral from his clients, but paid Resnikeff \$250 to \$300 to paint them said Internal Reveoue Service attorney Marvin Gutter. The IRS is trying to collect \$40.06 in personal-services taxes from Fox, who contends that he doesn't owe it because he operstes as a corporation Charles J Fox Inc. and should be taxet at the lower corporate level Some of C.J. Fox's subjects Joho F. Kennedy, the late Supreme Court Judge Loois D Brandels, the late J. Edga: Hoover and William Randolph

Logan, Utah, was blacked ou by a peacock for 54 minutes which is a record of some sort The peacock, owned by the cir and resident in a park, wandereinto an electrical substation an managed to trip all four circui. breakers. The peacock did no survive.

In Colombo the 31-year-old daughter of former Prime Mioister Sirimavo Bandaransike ha married one of Sri Lanks's popu lar film stars Chandrika Ban daranaike, a graduate of France'. Sorbonne, married Wijaya Ku maranatunga in a private cere

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Non-art, according to some observers, has been around for -SAMUEL JUSTICE

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should not be mixed with pleasure evidently took a pessimistic view of his friends. Business is pleasure at Dresdner Bank.

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PARIS, MARCH, 1978

FOCUS ON AUSTRIA

Detente Is Vital for the Nation's Prosperity

Major Economic Indicators Point to Declining Growth

Troubled Outlook

By Douglas Sutton

a recent issue of a local iown trying to coax the econ-hy-symbolized by a piggy hank to tump through a ring of fire. No one in this country is ng the panie button yet. at there is no doubt the Ausms are wormed about their boomic future. After making strong recovery in 1976 from the sion, the Austrian econny steadily slowed down as 1977

By the end of last year, all the tor economic indicators point-to declining growth rates and outlook for 1978 spelled more ole. A recent report by the strian Institute for Economic search (WIFO) predicted a TP growth this year of only ar and a 5.2 increase in the

TP in 1976. addition. lie deficits in its balance of mente and foreign trade.

Acrid Debate

The economic slowdown has acked sometimes scrid debate tween Obancellor Kreisky's Soalist party government and the ion Austrian People's party, ped in by representatives of estry, banking and the unions. file no consensus has emerged to the country's future ecomic policies, there is at least general view about what han-

med in the past. "For the past few years," Helat Kramer, deputy director of IFO said, "Austrians have been ing beyond their means. Statistical evidence pretty much provis this view. The governent's policy of maintaining full ployment (during the 1975-77 ried unemployment was held to by 2 per cent), expanding ecomic activity, and supporting a

JENNA (EHT) .- A cartoon in benevolent social welfare program,

The total funded federal debt ien economic outlook for 1978; in 1970 was \$1.75 billion; seven hancelor Bruno Krokky is years later, it had more than quintupled, reaching about \$10.1 billion.

A recent report by the Organization for Economic Cooperation and Development (OECD) sug-gested that Austria has managed its public debt better than many. other Western countries. But this country is, nonetheless, worried about the increasing debt level, because it allows less room for fiscal measures which may later be needed to manage the econ-

Deficits

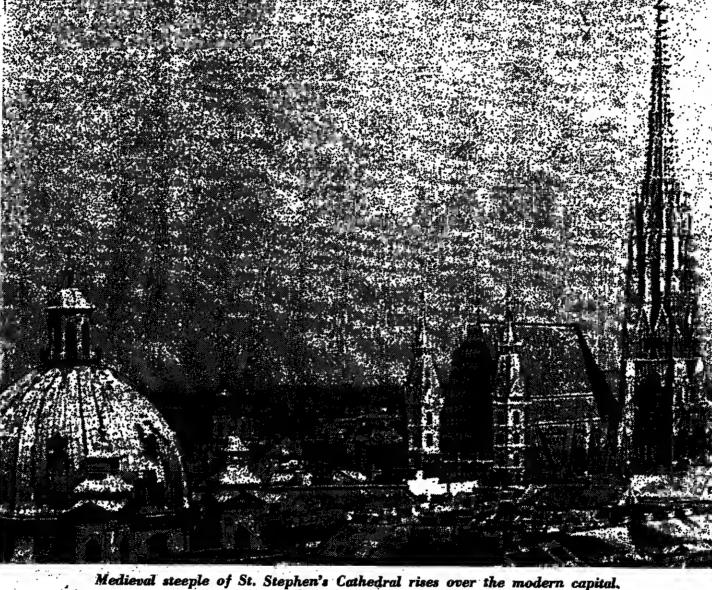
Along with the rise in federal deficits, Austria's current accounts have also been in the red. (Current accounts include balance of trade plus revenues from other sectors.) In 1975, the deficit was \$300 million: the next year the current account deficits totaled-\$1.5 billion, while last year the deficit was an estimated \$2.75 billion, or nearly 5 per cent of the

Austria's economic woes have been further exacerbated by steadily rising foreign trade deficits, which last year hit a record \$4.4 billion an increase of 35.4 per cent over the 1976 trade

Negative trade balances are nothing new for Austria: but in contrast to previous years, revemes from the services sector and the tourist industry are no longer coming close to equalizing the

trade deficits. The Austrian government's view about the reasons for the country's current economic and foreign trade problems was summed up in an interview by Minister of Trade Commerce and Industry Josef Staribacher: "The worsening of our economy is almost totally influenced by the worsening of the economies in

Western Europe." The OECD report generally



backs up this view. It said that a major reason for Austria's rising trade deficits is that Austrian demand for import goods has been increasing at a faster rate than the demand of other nations, particularly West Germany, for Aus-

trian exports. Moreover, because the schilling is closely pegged to the value of the deutsche mark Austria's currency has gained against other

essier for Austria to import but also a lot harder to export. have underscored structural weaknesses in the economy. Mr.

The problems in foreign trade Kramer of WIFO explained that "so long as neighboring economies were expanding, Austrian produ-cers found their export opportunities while being relatively uncontested in domestic markets. But when foreign firms came under pressure to export more, they were able to succeed against Austrian firms both here and in for-

eign markets." Cost-effectiveness and produ tivity are areas which are also beginning to worry Austrian firms. WIFO statistics showed that productivity in the third quarter of 1977 had increased just 12 per cent over that of the same period in 1976, but that total wages paid were up 10.5 per cent and unit labor costs were up 10.2 per cent.

Indeed, efforts are already being made in Austria's nationalised industries, which account for about 18 per cent of industrial employment and 25 per cent of output, to rationalize their production. Particularly the steel firm. Voest-Alpine AG with estimated losses of up to \$48 million last year, has had to take

State Plays Leading Role **Among Neutral Countries**

By David Hermges

VIENNA (IHT).—If there is one feature that Austria wants established in international awareness it is the country's independence. Ever since the State Treaty of 1955, which marked the end of the postwar occupation and restored full sovereignty to the country, the Republic of Austria has been making herculean efforts to live down its more recent past without disavowing its (largely untarnished) imperial and royal history.

A new start was made in 1945, not only after seven years of Nazi annexation, but also following a total of 11 years of depriva-tion of representative democracy, which started with the selfelimination of parliament in 1934 during the Dollfuss era. Even before the end of the war, Austria's democratic constitution was brought back into force.

The proclamation of the Second Republic was by no means a foregone conclusion. Under the terms of the 1943 Moscow Declaration, the wartime Allies spoke about the "liberation" of Austria as one of the first victims of Ritler's aggression - However, there were still enough voices, in opinion that the only solution would be to form a Danube Federation, since the small Alpine country on its own was not a viable entity. This awakened memories of the situation after World War I when State Chancellor Karl Renner was in favor of a union with Germany. The name "German-Austria" was actually adopted, only to be drop-

Now, years later, there is no doubt whatever that although Austria and Germany are neighboring countries, there is no political special relationship bewant one.

Neutrality

The Austrian Neutrality Act of October, 1955, specifically precludes the country's entry into any military alliance and has been assumed to prevent full Austrian membership in such a politically

orientated body as the European Economic Community. (On this, however, Austria, as a member of the European Free Trade Association, has found a fairly satisfactory solution in the form of a

This Section

This special report was prepared and written by Thomas C. Lucey with Darrell Delamaide, David Hermges, Alan Levy, Ernie Reed, David Stevens and Douglas Sutton.

The Austrian schilling has a current value of 14.50 to the dollar.

special arrangement with the Common Market abolishing nearly all customs tariffs while avoiding the other obligations of the Treaty of Rome which could be interpreted as infringing Article 4 of the State Treaty prohibiting any union with Germany. Austria manages to remain ideologically fixed firmly to the tion on the individual citizen tbe neptral in his views while at the same time maintaining cordial links with the Soviet Union The Soviet agreement to grant Austria its State Treaty during the frosty days of the cold war showed the way to a period of détente which has become more vital than ever to Austria's contimued prosperity. And this despite the fact that the country's Chancelior Bruno Kreisky makes no bones in public about his brand of social democracy being absolutely the opposite of Com-

This has not prevented Austria providing a venue for the first round of the SALT negotiations and for the ongoing Mutual Force duction Talks between the Warsaw Pact and the NATO countries. Nor does it hinder Vienna being used as a base for more than 200 foreign correspondents covering Central and Eastarn European affairs Never has Europe experienc-

ed such a long period of peace as since the end of World War II. Never has republican Austria flourished so much as it does now-notwithstanding several flies in the cintment, such as the inflation rate, the balance-of-payments deficit, the energy shortage and so on. The prime objective of successive Austrian governments-and they have all been monochrome Socialist ones since 1970—is to perpetuate this stability. Any rocking of the boat would be regarded as threatening the comfortable way of life of a population which hardly knows what poverty means and is cared for by social security from cradle to grave (at a phenomena) cost to the average taxpayer),

Parliament

And if one asks what credit can be given to parliament for this generally satisfactory state of affairs, the answer must be chosen cautiously. Ever since it was reconvened in 1945 parilement, acting in plenary, has tended to be a rubber-stamp operation for decisions that are taken bankstage, out of the public eve in the various house committees. A good deal of public heranguing is also witnessed on the floor, it is true, but this can often be discounted chiefly as playing to the gallery when pro-

ceedings are being televised For almost all of its postwar life, the Austrian parliament has been in the safe hands either of a grand coalition with an overwhelming majority cr-for the past seven years—of a small, but mornlithically disciplined Socialist majority which is unassailable between elections under the existing system of proportional rep-

The fact is that in addition to the written constitution there is a de facto situation in Austria (not wholly covered by constitutional law) which must be taken

(Continued on Page 9.)

Chancellor Bruno Kreisky: 'Eurocommunism? It Doesn't Exist!'

By Thomas C. Lucey

TIENNA (IHT).—East-West re-ESCO. Sent for Egyptian President lations an unusual complitwar Sadat and why Austria of ould get into auto production. use and other topics are coverin an interview with Chanhor Bruno Kreisky by Thomas Lucey of The International arald Tribune.

IHT-You are very active in ternational affairs, not only in prope but also in the Middle ust. Chancellor Kreisky, What your country's view of the orld, fts foreign policy, and what o you expect to be the emphasis

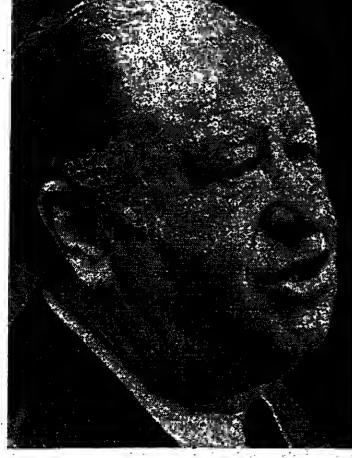
. Kreisky-Austria's foreign pol-I is that of a neutral country. turnity, it is first of all directtowards continuing detente. ist is completely matural for a unity that does not belong to bloc system. Such a policy is mentary for neutral countries, were very concerned about it Helshiki and again in Bel-

Second where we are situated, the middle of Europe, makes is necessary to have a policy of mailtaing our resistions with e Kest Kunopean states.

Q-What is normalizing rela-·205?

A-Normalizing, that means Pehologically that the West has maximum of trust in us, and I partners in the East, a mini-The next important matter in

Peign relations is European coecution. As a neutral state, we a only participate in a limited ly in European cooperation, but Unitedly we are interested in it. here is European cooperation in the Middle East. There can be tween us and the EEC on the no effective detente in Europe



one hand, and between the West and the East, on the other. We have a free-trade treaty with the Common Market, and we have a very large East trade.

Finally, it is in our interest that there will be peaceful coexistence

hetween the major powers if there is tension in the Middle

In the United Nations, we will support efforts for international equality, peace moves and peaceful cooperation between the industrial states and the developing

... that the West has a maximum of and . . . the East a minimum

of distrust.

-Chancellor Kreisky.

These are the major points of our foreign policy. Q-Concerning the Middle East, do you think Israel would agree to

A-In international politics all things are possible. I can't picture

a Palestinian state on the West

Bank?

a permanent peace in the Middle East when Israel does not return the occupied territories and unless the Palestinians have the right of self-determination. Of course, there is a precondition—the existence of the state of Israel.

Q-Recognized by all the Arab

A-All the Arab nations-or at least, the important ones. Primarily, Israel's neighbors, I don't consider the Palestinians real spemies of Israel If a Palestinian state were to be set up next to Israel, I believe it would be a guarantee, a chance for peace, ecause these two states would have a need for a large measure of cooperation.

Q-You have known President Sadat for a number of years. Was his decision to undertake his peace initiative, to go to Jerusalem personally, something he had planned for some time or was it an impulsive move.

A-Basically, Sadat had considered it for a long time He wanted to talk with the Israelis. as he indicated to me a year ago. But the direct action, that was spontaneous, although the idea had been deeply fixed within him.

Those are signs of strengthspontaneity and intuition. Great political leaders have always had a tendency to spontaneity. Win-ston Churchill, for example. Not spontaneous in the petty details of daily political matters, of course, but spontaneous in big

things, spontaneous from within One thing is certain after Badat's action. The Israeli people know today they can have peace, but in any case, not on their terms, but on terms considered by the whole world as right.

The situation needs a quiet in-

If there were to be an agree-ment between Israel and Egypt on the terms of peace, then many of the Arab mations, the important ones, would more or

Q-As a young Socialist be-fore World War II, you were op-posed to cooperation with the Communists. In this era of

A-Burocummunism? It doesn't exist! There are Communist parties that do what all parties do. They ask themselves how do we get stronger. For them to be stronger to attract more voters—they must show they are independent from the power center of communism, Moscow, they must show that they went to rule in a democratic way east they must show they are no longer revolutionary. .

But if they went in this direction, people would leave them and the numerically weaker parties would tend to terrorism. As all this indicates, we are dealing with a new political phenomenon. But Eurocommuntem. that doesn't exist. One thing is centain, there is a certain nationalization of the CPs, a certain process of getting away from (Moscow), an ongoing process that could go

But they must definitely acknowledge the democratic system. If they honestly meant it, in the daily practice, an interesting reform process could be incroduced. They certainly have to end the revolutionary ideology. If the Communist perties do all these things, we could ask if they

still Communists. They would not be, in the usual sense of the word. Q One might think that the Communists would profit from the chronic unemployment in the tion feeds on unemployment, that unemployment brings a shift to the right. A-Experience shows that in an

economic crisis, right-wing extremists profit. Look at Germany and Italy in the thirties. The danger is not so immediate as long as the memory of the Nazis is glive. When this memory fades, when no one in politics has a memory of that situation, then it can be dangerous. We are shocked by the phenom-

enon of terror, but look at the systems that are founded on terrorism, where those who think differently are eliminated or jailed. These systems express a massive terror. Organized terror comes from the state, what the French called the Reign of Ter-State power must be strongly

controlled, placed under law, Q-Which brings us to the is-

sue of human rights. You have said that you thought President Carter's campaign for human rights impressive but felt it could damage the quieter ways of helping people in authoritarian so-

A-In the present situation, smaller countries such as Austria must use quieter methods. Q-Hasn't the President's han-

dling of this issue been disappointing? A-No, I believe it has helped

to protect the opponents of the regimes from the worst. It has in any case, been partially suc-

Q-On internal Austrian affairs, the Organization for Eco-(Continued on Page 9.)



Finance Minister's Primary Goal Is to Ensure High Employment

By Darrell Delamaide

VIENNA (IHT). — Maintaining high employment, dampening import consumption while spurring domestic investment, continuing a flexible foreign exchange policy—these are the leitmotifs of Austrian economic policy as described by Hannes Androsch, wice-chancellor, and finance minister, in a wide-rangtional Herald Tribune,

The 39-year-old minister, who has been responsible for the country's finances almost eight years already, is not too discouraged growth rate seems to be slowing

The greatest possible growth isn't the primary goal of our economic policy in these times of a weak and problem-ridden world economy," Androsch said. "Our primary goal is to ensure high

The country's faster growth in recent years represented in part a catching-up process. Androsch

And so, even though most projections put Austrian real growth this year at a probable 1.5 per cent, down from 3.5 per cent last year and 5.2 per cent in 1976, Androsch likes to lay greater stress on the relatively low unemployment rate.

I don't think our chances are bad at all of going beyond last December's prognosis in a positive direction-I mean a lower inflation rate and somewhat stronger growth. And", he adds, "not such an increase in unemployment."

Inflation Rate

The Austrian Institute for Economic Research projected that consumer price inflation would sink to 4.5 per cent in 1978, from about 5.5 per cent last year. Unemployment, . however, expected to increase to 2.5 per cent from 1.8 per cent.

Androsch pointed out in the interview that the inflation rate was down to 4 per cent by the end of 1977 and may dip below the 4-per-cent level in the first quarter of this year. In a speech before parliament

in mid-January, the finance minister recalled that while average unemployment in the seventies has been 1.6 per cent. the jobless rate averaged 2.6 per cent in the sixties and 6 per cent in the fiftles.

That speech introduced the .0-year structural investment program which has the federal government spending 577 billion schillings (about \$38.5 billion) to create 130,000 new jobs.

Androsch told the International Herald Tribune that this program to stimulate investment is the counterweight to restrictive measures appounced last October including the 30 per cent valueadded tax on "luxury" goods like autos, cameras, furs and jewelry. Together, the messures should redirect funds from consumption of imported goods to job-creating investment in domestic production, he said.

The luxury tax itself acts like "devaluation," Androsch said. "For the goods it affects, it is like a devaluation without the bad effect of a devaluation." Dampening import demand by an actual currency devaluation would have the



Hannes Androsch, Finance Minister

bad effect of quickening infla-

tion, he noted. Androsch explained that the VAT boost was made primarily to reduce the country's foreign trade deficit, which hit 68 billion schillings (about \$4.5 billion) last year.

be lower," Androsch commented. Another measure in the October packet was the reduction in the federal contribution to social se-curity, offset in part by hikes in

account. "Frankly, I think it will

Androsch said this move is designed to help the federal government reduce its new debt this year to 24 billion arbillings (about \$1.6 billion) from about 31 billion schillings (about \$2 billion) last year.

The Socialist politician would not agree, however, that the sharp bite in buying power from the October measures marked a real setback in Austria's standard of

"Rather than call it belttightening, I'd say it's more a question of just not loosening your best a couple of more notches year," Androsch said. He added that much of the public seems to have accepted the measures with "understanding, if not exactly enthusiasm."

Androsch is quick to point out that improvement of the Austrian trade balance depends on the economic situation in the rest of the world and most particularly in the country's giant neighbor, West Germany.

"I would be quite happy if Germany reaches the 3.5-per-cent growth rate it's aiming for this year," the Austrian official said, "but I'm not sure it will It will probably be a little stronger than last year's 2.5 per ceut, but unless some impulse is forthcoming, a deficit of 62 billion achillings I wonder if the growth will reach (about \$4.1 billion) on the trade

No One-Way Street

The finance minister em-phasized that his country would

UN City: Quiet Diplomatic Tangle

VIENNA (IHT).—With the completion of the \$700-million United Nations complex called UN City this year, the city of Vienna will have made another step to re-establish its historical role as an international center. What worries the Austrians, however, is whether their effort

to join New York and Geneva as a 'UN center will be rewarded by a smooth transition of UN bodies In the past few years, Austria and its capital have been involved

in a quiet diplomatic tangle with the UN about which agencies should move into the UN City and when. A recent UN resolution seems to have set some sort of timetable

for transfers to Vienna. It is now clear that at least through the early 1980s, up to one-third of the local UN City will be empty. Thomas Klestii, an Austrian representative to the United Nations, played down past squabbles

with the UN and particularly with the city of Geneva, which had been seen as zealously guarding the various UN agencies located

Not a Threat'

"I think we have put aside their fears about losing so many people no suddenly," Mr. Klestil sald. "We have tried to convince that Vienna is not a

After completion, the UN City,

ternational Conference Center and several other facilities, located a few miles across the Danube river from downtown Vienna. will be turned over to the UN for the price of one schilling (about 6.5 U.S. cents).

The first move will be in the summer of 1979 by two agencies already located in Victora: the International Atomic Rocry Agency (IAEA) and the United Nations Industrial Development Organization (Unido).

Their combined staffs will becupy about 2,500 offices, leaving more than 2,000 offices in the UN

Through 1985, the two organizations are expected to occupy an additional 1,000 offices due to staff increases, while in the 1979period 100 UN officials 50 from Geneva and 50 from New York will move to Vienna each

The Austrians were taken somewhat by surprise by the reluctance of some UN bodies to come to Vienna, and with some justification. In the late Sixties, when Austria proposed building the UN City, the UN requested office space for 7,000 persons. The Austrian government took a more realistic. view of the UN growth rate and convinced the UN that 4,700 offices should be sufficient. It is probably better for both Vienna and the UN that the move of UN personnel to Vienna will be gradual A recent report by a UN study group noted that improvements in Vienna's services

are still a number of years away. Aside from stating that Vienna the sixth most expensive city in the world, the report cited problems which the staffs of IARA and Unido have had in

Other problems mentioned in the report concerned schooling, noting tentative plans to open an international school in 1979, and transportation. The collapse of the old Reichsbruecke in the summer of 1976 has complicated traffic connections across the Danube, and the new bridge as well as subway connections to the UN City will not be operational

Correcting Cliches

problems noted in the report. Vienna is beginning a program to improve services for the international community. Wien International, the organization responsible for helping foreigners settling in Vienna, recently announced a campaign to correct some of the clichés foreigners have about Vienna and its inhabitants. Problems with the UN City sside. Vienna can claim some success in attracting foreign interests. The Organization of Petroleum Exporting Countries (OPEC) for example, has had its head-quarters in Vienna since 1965. Last year, it moved its staff of about 100 persons into its own new office building in Vienna's

like to improve its deficit posi-tion with its major trading partner. "I have tried to make it clear to them." he said "that it cannot be a one-way street in such an important matter."

Androsch estimated that Austria supports the German economy with its deficit to the tune of about 130,000 jobs.

He noted that a traditional compensation for the trade imbalance between the two courtries indeed, a major offsetting factor for the overall trade deficit -is the huge influx of German tourists. While winter tourism has continued to grow, Androsch noted, summer tourism has fal-

trade and payments situation. Androsch cited among other factors the insupportably high" Jananese surpluses as responsible for world trade imbalances which affect Austria. "The Japanese run high surpluses and at the same time close their own market to a great extent—that is neither free trade nor fair trade," the

But the European Economic Community is protectionist as well, Androsch said "Overnight, yon can have quotas or restric-tions, or even bans, on products like paper or specialty steel," he

Austrian minister commented.

West Germany, of course, isn't Of course, a major fact the only influence on Austria's Austria's competitiveness world markets, along with the trend of wage settlements, has been its hard currency policy, generally interpreted to mean the link of the schilling to the

deutsche mark. "Our foreign exchange policy has always been flexible," commented Androsch in response to a question about how firm the schilling-mark link is. "Since the beginning of the seventies we have been among the three or four strongest currencles. We have appreciated especially against the pound, the dollar and the lira. But we have depreciated against the Swiss franc and

He emphasized that the Aus trian currency has not matched the West German unit step fo step. "We're always just a little tehind the deutsche mark," h said. When it goes up we go to part of the way with !:, an we've never kept up with the Swiss franc on its high flights Androsch said Austria woul maintain a flexible policy. Th future movement of the schilling

would depend on the performanof other currencies, particularl the dollar and mark. "To deutsche mark has been the lead er in Europe, but the pound, fo instance, has a chance to play stronger role now."

An Interview With an Outspoken Critic

T/IENNA (IHT),-One of the more outspoken critics of rernment economic decisions is Rudolf Sallinger, the 61-yearold president of the Federal Economic Chamber of Austria, which represents all private and public enterprises from the country's nine provinces.

Mr. Sallinger, an architect by training and stone mason by trade, is an active businessman isince 1943 he has headed his own stone masonry firm) and politician (various posts in the opposition Austrian People's Party, including at present a seat in the national parliament).

Since 1964, Mr. Sallinger has been president of the 250,000-member Federal Economic Chamber. In an interview with the International Herald Tribune, Mr. Sallinger gave his views about what is wrong with Austria's current economic situation

IHT-A recent study by the Organization for Economic Cooperation and Development seems to show that Austria's present economic difficulties are not just the result of domestic excnomic policy, but rather are a reflection of the economic problems in other OECD countries. and particularly Austria's main trading partners. Is this your

Sallinger — Undoubtedly the problems of Austria's economy can at least in part, be traced to international causes. Problems in the economies of our trading partners certainly are not with-out their repercussions on a country which is so export-oriented as

conomic policies must also share the blame, because they have reduced the competitiveness of our economy and worsened the intment climate. In order make the necessary structural adinstments, the economy needs innovation, which in turn depends on high-risk investments. But the new tax measures have resulted in reducing the firms' capital ... which could be used for risk in-

Q-You recently described the government's trade policies as following a zigzag course. What did you mean by that?

A-In the past, the Austrian government tended to take into consideration only the interests



Rudolf Sallinger

playing down the basic principle of trade policy, namely, that of reciprocity.

Now the government is speaking about an "administrative trade policy," an expression which is certainly not precise. Q-What is your view on the raising of the value-added tax Austrian firms?

A-We were against raising the value-added tax because Austria's economy is already overburdened

Q-Does the higher VAT indicate a trend toward protectionism in Austria's trade poli-

A-No, I wouldn't describe it as protectionist, because it also applies to domestically produced

Q-Isn't the higher VAT necessary to try to reduce Austria's foreign trade deficit?

A-What is primarily needed is to reduce the deficit in the federal budget, as well as a very restrained wage policy. Then the trade deficit can be reduced. The promotion of exports must be

seen in the context of a comprehensive economic policy (which) maintains and improves the competitiveness of our firms.

Q Has the "hard currency" policy of closely aligning the schilling's value with the deutsche mark hurt the competitiveness of

the entire economy is in favor of the hard-currency policy and certainly not for a devaluation of the schilling. But the hardcurrency policy does not mean that the rate of the schilling should be tied exclusively to the deutsche mark, even if West Germany is Austria's most important trade partner... the currency situation is strongly de-termined by the balance of paycountries is different in that Austria has a large deficit while the FRG has a large surplus as well as a lower rate of inflation

The hard-currency policy has led to a situation whereby market shares here in Austria have been lost because imports have been made chesper. The hard-curren-

cy policy should not, however. made an instrument in fighti: infistion ... and (lt) is only su cessful when accompanied by more moderate wage policy.

Q-What in your view s other factors hurting industry

A-The government measur which are to fight the negati trade balance and the deficit the federal budget, affect cor panies directly and indirectly taside from the 30-per-ce VAT, the rules on tax dedu tions for used company vehicles well on the tax deductions on t reserves which firms have a aside for severance pay and i pensions have been made strict Also, payments to the soc. security fund have been incres ed for the employers... and t ginning next July 1. (the gover

ment) plans to impose a tax trucks which will hurt the truc ing industry and, therefore, a foreign trade. 1 to noinigo rucz at tadW-Q 10-year investment program 577 billion schillings (about \$3

billion; recently announced by t A-This program is nothi more than an adding-up ci t

investments of the federal gover ment for 1977-1986, in which th simply started from the inve ments of 1977 and added yes increases of 5 per cent.
What this means is that :

portion of federal investments overall investments of the eco omy will actually shrink, becau total investments over the ne 10 years must rise at a high ra Further, the government's inveany priorities; it simply carr

forth the structure of 1977. Q-What are the structur weaknesses in the Austrian eco cmy which need adjusting?

A-In a market economy, the is a constant change in structa going on. The individual coa panies themselves know whi changes they have to make w. regard to demand. The me task of economic policy is ease, or at least not to hind the structural adjustments

Internationally, the demand for the construction of industr the developing countri Austria will certainly have bet success if its economy strong increases (industrial) specializ

Sensing the mood of the market



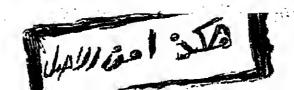
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The Gains Made in Exports Are Outweighed by Imports

ade the past few years is someing of a good news-bad news ary. The good news is that es country's export industry is shown steedily rising sales ground; the bad news-and for i stria's economy, of over-

ding importance—is that imris have far outweighed the sins made by the export in-Official statistics for 1977 show

let Austria's exports increased y 6.4 per cent over those of 776 for a total value of about 3.8 billion, but imports jumped y 14 per cent to \$14.2 billion. The resulting trade deficit of bout \$4.4 billion was an increase f 35.4 per cent above the 1978, ade deficit.

So much for statistics. What worrying the Austrians is that though they have a fair idea I how the trade picture got that sy, they gren't yet sure how to o about trying to change at.

Limiting Imports

The Austrian government, side from hoping that the econmies of Austria's neighbors, parcularly West Germany, will get noving again, is beginning to ritiate a cautious policy of limit-= : g imports.

Last November Austria partial-- rescinded previously granted worable tariffs on imports from puntries not belonging to the aropean Free Trade Association EPTA) or the European Eco-omic Community (EEC). It also stroduced trade restrictions for := :)w-priced textiles from some eveloping countries and on aglcultural products.

The Ministry of Foreign Trade also drafting regulations to - nake it easier for Austrian firms initiate anti-dumping proceures against cheap import goods. he ministry says the new gulations will fall within the aidelines of the General Agree-._ ent on Tariffs and Trade

BATT). Most important, the value-addi tax (VAT) on certain luxury ems, particularly automobiles ad stereo equipment, was raised om 18 to 30 per cent effective

3D. 1. According to the Minister of rade. Commerce and Industry. sel Staribacher, to try to imrove the country's trade balance not a trend toward protec-

veness of Austrian goods in forign markets is an area which the ustrians are most worried about. Two factors have combined to nake Austrian goods difficult to :1 abroad:

· Because the schilling was om 1973 until recently closely agged to the value of the xuische mark, the Austrian curency has been, in effect, revalu-ted against other Western cures. A recent report by the ederation of Austrian Industrial-its, for example, said the schilling ained 7.8 per cent against the (.S. dollar in 1977, 10.6 per cent mainst the French franc, 11.2 per nt sgainst the pound and 13.8 ir cent against the Bra. Austria's National Bank not

ng ago began a gradual desupling from the deutsche mark. ligning the schilling's value with

number of other currencies. But

TENNA (IHT)—The develop— the deutsche mark remains the to make sudden steep gains, "the ducts have become cheaper than ment in Austria's foreign dominant orientation for the schilling will not go along."

Austrian-made industrial goods. schilling.

Trade Minister Starlbacher predicts "there will be no-nor should there be-devaluation of the schilling" this year, but added that there will be one im-portant deviation from the hardcurrency policy of the past. If pensive than foreign industrial the deutsche mark should start products. Meanwhile, import pro-

· The second factor hurting Austria's export competitiveness. according to recent reports by WIFO and the Organization for Economic Cooperation and Development (OECO), is that Austrian exports have become more ex-

The increases in the values of the schilling and of prices for Austrian products and the declining rate of industrial expansion by Austria's trading partners have combined to put Austria's export industry in an increasingly

difficult position. Conversely, the increased buy-

imports. Where they cut back

is not in major capital investment

projects, like a petrochemical

that most affect Austrian exports

-semi-finished and finished

Austria is particularly worried about its trade with the Soviet

Union, which supplies a good

portion of Austria's natural gas

and other raw materials, Last

year, the Austrian deficit in trade

\$30 million over 1978.

was \$230 million, an increase of

Moreover, the deficit is likely

to go in only one direction-up,

with estimated Soviet surpluses

between \$300 and \$500 million in

Bearing these factors in mind,

Austrian Chancellor Bruno Kreis-

ky and Trade Minister Staribach-

er visited Moscow in early Feb-

ruary to make a sales pitch in

Mr. Starbacher said that the

behalf of Austrian industry.

plant and so on, but in the areas

ing power of the schilling and the considerable rate of capital investments in Austria in 1976 and early 1977, coupled with lower prices for import goods. have helped stimulate the Austrians' appetites for foreign-made industrial and consumer products. The fortunes of Austria's for-

talks in Moscow were aimed at

industrial projects, but also to

look at "the possibilities for joint projects in third countries."

Loans to East

In trade with the other Co-

mecon countries, Austrian firms man also have a hard time main-

taining their share of the East

European markets in the coming

years. Gerhard Fink, a co-author

of the study mentioned above, cs-

timated that Austria may have to

grant credits of more than \$1.6

billion through 1980 to help fi-

nance Austrian exports to the

smaller Comecon countries, "just

to hold our present position."

Through 1976, Austria had al-

ready loaned these countries more

Not long after Mr. Fink's pre-

diction, it was announced that

Austria is to clear a long-term

credit of \$360 million to the Ger-

In spite of the increasing com-

man Democratic Republic.

than \$1.4 billion.

nomic Community, particularly tariffs except for those on certain West Germany, Since 1972, Austria has had free-trade agreements with the EEC and the European Community for Coal and Steel Union calling for step-byon a wide range of producis.

eign trade are pretty much de- augmented last July 1 by the termined by the European Eco-

step reductions in import tariffs Those agreements were further

showing not only his country's interest in participating in Soviet tries. Austria has a realistic out-

look about the chances for main-

taining its traditional role in

Fast-West trade. For one thing, Austrian firms continue to show innovation in dealing with Eastern Europe, The state-owned steel company. VOEST - Alpine, is running a \$200-million project, the construc-tion of a turnkey cellulose plant in the Cameroons, with the belp of enterprises from the GDR, Poland and Yugoslavis, and sev-

eral Western companies. Meanwhile, Austrian firms are planning infrastructural projects which include the possible joint mining of coal on the Austrian-Hungarian border, the construction of a coal slurry pipeline running from Poland through Czechoslovakia to Linz and the joint construction with Yugoslavis of a 7.6-kilometer highway tunnel in the Karawanken Mountain Range to connect Austrian and Yugoslav highways.

Austria is not complaining

items.

about its trade with the EEC, but it wants to reduce its deficit, Last year, Austrian exports to the EEC increased by 12.9 per cent, for a total value of about \$4.9 hillion. accounting for nearly half of

sensitive products, such as paper.

apecial steels and agricultural

But imports from the EEC rose 17.5 per cent to \$9.2 billion, occounting for more than 60 per cent of Austria's total imports. Of the resulting trade deficit of \$4.3 billion, the trade deficit with West Germany accounted for about three quarters.

Some Austrians believe the free trade agreements may have helped the EEC countries more than they belned Austria. As Helmut Kramer, deputy director WIFO pointed out, "Austria started out (before the agree-ments) with higher import tariffs than the EEC countries. So as the tariffs were reduced, and then dropped to zero, the export industry of the EEC benefiled relatively more than ours."

The reduction in tariffs also may have helped the EEC because they primarily affected finished manufactures, for which Austria is more decendent on the EEC

than the EEC is on Austria. There are three main problem areas in Austria's trade with the EEC: agricultural products, the sensitive goods and ateel.

In agriculture, Austria showed a trade deficit of about \$300 million last year, following a deficit in 1976 of about \$250 million.

Hurting Austria's agricultural trade with the EEC the most are EEC import restrictions on cattle. Agricultural Minister Guenter Haiden recently pointed out that in 1973, the first full year of the Austria-EEC free-trade agreement, Austrian cettle exports were 76,000 head. Last year. Austria was allowed to export just over 14,000 head.

Some progress is being made in the two other problem areas, steel and sensitive products. Negotiations are continuing between EFTA and the European Conl and Steel Community. latter's basic prices formula on steel products are a major problem for Austria's steel industry, which is dominated by the state-owned Vöest-Alpine and its subsidiary, the Vereinigte Edelstahlwerke (VEW).

New tariff reductions on certain sensitive products as special steels and paper and paper products went into effect Jan. 1. It is too early to tell what effect they will have on Austrian-EEC trade

The increase in Austria's trade with the EEC came mostly at the expense of its trade elsewhere. Exports to the other EFTA countries declined in 1977 by 1.2 per cent while imports increased by 8.2 per cent, resulting in an Austrian deficit of just under a quarter of a million dollars.

Meanwhile, trade with the Communist countries in Eastern Europe and the oil-producing nations in the Middle East continued to show slow but steady growth.

Losing Ground to the West in Trade With East Europe

one area in its foreign trade relations for which Austria can cision a pioneering role it is in commercial relations with the Communist countries of Eastern

Austria's geographical position, political neutrality and its tradi-tional commercial importance to Eastern Europe gave the country a head start during the Cold War era in building trade ties with Eastern Europe's counterpart to the Economic Community, the Corincil for Mutual Programic Assistance (CMEA), or Comecon.

During the fifties and even up . through the early sixties Austria served as a kind of back door in East-West trade. Communict-made goods trickled into Western. markets through Austria. Many Western firms called on Austrian ampertise in making their first efforts to sell to Eastern Europe.

Losing Ground

But the situation has changed. In the years before, but especially just after the beginning of political détente, trade between Western nations and Comecon showed a strong upward swing. In the process, Austrian companies began to lose ground in East-West trade to the multinationals and buge concerns in Western Europe, the United States and

Austria still shows a surplus in its overall trade with the East, hut the surplus has been diminishing: In 1976 the Austrian surplus came to nearly \$200 mil-

In 1977, Austrian exports to Eastern Europe increased by just 1.7 per cent, while imports went up by 5.5 per cent, resulting in an Austrian surplus of just more than \$160 million, Moreover, a recent study by the Institute for International Comparative Economics predicted that instead of running surpluses. Austria may have definite in trade with Comeexceeding \$180 million by

outlook is found in the structure of Austria's Comecon trade. nearly one third of Austria's fuel and energy imports and one

reventh of agricultural imports. While it is not likely that Austria could easily out down on these imports, the reverse is not true. Austrian exports of semi-finished and finished manufactures are areas where the Comecon countries are gradually becoming soif-sufficient.

Another reason for pessimism is that, as in other areas of foreign trade. Austrian companie are having trouble with Western

It is not necessarily the quality nor the price of Austrian prod-

uots that is hurting exports to is that the increased debt in Eastern Europe, but the current Eastern Europe is forcing many conditions in East-West business countries there to cut back on

Estimates put Comecon's hard-currency debts to Western countries in the \$45-\$50 billion range. The debt load has led to East European insistence that Western firms make counter-purchases of goods and equipment to offset partially the price of the products bought from the West. The East European countries are always on the lookout for large credits at the best possible terms to finance their imports from the West

It is generally agreed that large companies can offer better credit conditions and can absorb East European counter-deliveries better than small firms. Most Austrian companies are small

The Minister for Trade, Commerce and Industry, Josef Staribacher, admitted that Austrian exporters are having problems.

"Our exporters are saying that they often cannot match the conditions (of credits and counterpurchase commitments) that other CMEA enterprises." Mr. Staribacher said. "Although our volume of trade with the CMEA is increasing, unfortunately we must recognize that our share in these traditional markets is declining."

The study mentioned above said that Austria's share of the Soviet market in the sixties was 4.3 per cent. By the end of 1977. Austria's market share in the Soviet Union was less than 2 per

In the remaining Comecon countries, Austria has about held tts market share. In 1970; Austrian firms had a 7.7-per-cent share in the smaller countries, compared to last year's 7.6-percent share.

In overall foreign trade exports than 14 per cent of total Austrian Comecon exports to Austrie account for about 9 per

These figures do not include the trade with Yngoslavia, which is only an associate member o Comecon. Including trade with Yugoslavia, Austria's exports to Eastern Europe amount for nearly 18 per cent of total exports. Wilhelm Hendricks, director of Aligemeine Finanz-und Waren. treuband AG, a specialized company which helps firms dispose of the goods they have to buy back from Eastern Europe beneves that counter-purchases alone are not hurting the smal

Austrian companies.

"Let's face it, buy-backs are a pain in the neck, but no more so for Austrian firms than for other dricks said. "What is happening

FOREIGN EXCHANGES

Oct. 16	D	Market Rates				
	Bank Lates X		Close			
New York Montreal Amst'rdam Brussels Copenh'gen Frankfurt Lisbon Madrid Milan Oslo Paris Stockholm.	412		2,0550-2.0560 2,1150-2,1160 5,412-5,422 79,45-79,65 12,27-12,28 5,26-5,27 54-35-54,55 121,30-121,50 1,387-1,389 11,26-11,27 8,991-9,001 8,96-8,97			
Tokyo Vienna Zurich	71 ₂ 6 51 ₂	618-625 37.10-37.60 5.421 ₂ -5.461 ₂	622-624 57.20-57.40 5.45-5.44			

†Basic discount. ‡ Rates given are for convertible francs: closing financial franc 82.15-82.35.

The above exchange rates are reprinted from the Financial Times for when - 16 October 1959, 1962, 1968, 1971 or 1975?

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Foreign Investors Own a Nominal 20 Per Cent of the Economy

VIENNA (IHT). - It was perhaps a natural slip of the tongue when a top German businessman in a press conference last year referred to the "federal state, Austria" instead of "the federal states of Austria,"

Although such remarks are sensitive historically, the economic influence of the giant neighbor to the north sometimes makes Austria look like the 11th state of the German Federal Republic, just slightly more perverse than bordering Bavaria.

Not only does 40 per cent of Austria's imports come from West Germany but the Federal Republic heads the list of foreign investors, who altogether own a nominal one-fifth of the Austriao

Statistics do not begin to tell the story of the pervasiveness of foreign investment in Austrian life because so many household products, from clothing to detergents, bear names familiar in any German home. Sometimes it seems to the Austrians as if everything but the skis under their feet are the product of foreign capital

It is not surprising, with Germany having three of the world's largest chemical companies, that German investors play a leading role in this key industry in Austris. And the fact that Siemens. one of the world's largest electrical and electronic companies sits just a couple of hundred kilometers from the Austrian border makes it seem natural that this industry, too, is dominated by foreigners.

Of course, it is not just the Germans. The Swiss-with their chocolates, chemicals and pharmaceuticals also are heavily enaged in Austria. And the American Challenge reached eyeo into this corner of Western Europe.

Following World War II, it was primarily American capital which helped Austria gear up its econ-The country was underindustrialized due to an accident of history. The heavy industry the Austro-Hungarian empire had been concentrated in presentday Czechoslovakia. After the first war, the new Austria never could seriously industricalize because of the Depression, Industry during the Hitler period coned almost exclusively of arma-

And so American investment, as subsequently German and Swiss and other European, played a key role in building up Austrian industry.

The only comprehensive study of Austrian foreign investment was compiled in 1970 by tha Chamber of Workers and Employees. The study exhaustively analyzed, to the extent statistics permitted, the stand of foreign investment following the strong upsurge of the Germans and the 1970 study, says there't tran

other Europeans during the six-

The figures showing the noninal value of foreign direct investment put Germany on icp with 27.7 per cent of the investment, the U.S. with 18.5 per cent and Switzerland with 15.5 per cent. Sizable investments were attributed to Great Britain, Benelux, Italy, France and Sweden. Ferdinand Lecina, an economist at the chamber and co-author of

little change in the proportions during the intervening years, although Swiss investment has surcassed that of the United States, Although no subsequent studies of the same depth have been attempted. Mr Lacina says the inflow of fereign capital slowed noticeably during the seventies. In fact, he says, repatriated prof-

its now exceed capital inflows so that there is, in fact, a net capital outflow. Mr. Lecina says foreign invest-

ment trends have clearly stabilized. Gunther Tichy, economist at the Girozentrale Bank in Vienna, says foreign capital no longer plays a dynamic role in the Austrian economy.

A variety of reasons are given for this slowdown. The Austrian market is saturated. The importance of Austria as a middleman in East-West trade declined sharply with Germany's Ostpolitik and normalization of trade rela-

But clearly the biggest reason is the huge jump in wage costs, through a combination of successive double-digit pay hikes and steady supreciation of the schilling. The same factors that have hurt Austrian export products make the country less attractive to foreign capital. Germans and other Europeans now put their money in developing

countries or the U.S., while

Americans or other non-Euro-

production base go to Ireland, England or Spain

The lack of foreign interest is sorely missed at times. A giaring example is Austria's ongoing chase after a very elusive chimera-a car factory. Although economists question the wisdom of an auto assembly plant—which, after all, does not involve much prodoction-the chase, whose chief champion is Chancellor Bruno Kreisky himself, continues.

But plans for an Austro-Porsche

fell through late last year when the renowned German earmaker balked at the insufficient marketing and service network in Austria and showed an oversion to putting the Porsche name on

the Austrian product. Subsequent talks with Chrysler Corp. also seem to have reached a stalemate. It seems Austria will have to content itself for the time with a minority interest in an auto-parts factory planned by Renault in Styria.

Banks Play a Large Role at Home and a Modest One Abroad

VIENNA (IHT).—Banking in against GNP, population and in-Austria is big business-in a dustrial customers. small way. The banks play an important role in national economic and political life and there is intense competition among the different sectors. But Austrian banks are small on an international scale and play a correspondingly modest role in inter-

The biggest credit institution is Creditanstalt Bankverein a jointstock bank with total consolidated assets at the end of 1976 of 137 billion schillings (about \$9.1 billion). While this represents 10 per cent of Austrian bank assets, it only enabled Creditanstalt to rank 47th among European banks.

national finance.

Girozentrale und Bank der Cesterreichischen Sparkassen, the central hank for Austria's savings bank sector, was No. 2 domestically with assets of 84 billion schillings (about \$5.6 billion), but only 71st on a European scale. reichische Länderbank, with a balance sheet volume of 66 billion schillings (about \$4.4 billion, No. 83 in Europe.

Together, the Big Three represent one-quarter of bank assets in Austria. But if banking is more concentrated here than in neighboring West Germany or the United States, Austria compares favorably with countries the same size. A ranking by "The Banker" shows Austrian banking to be much less concentrated than that in Switzerland, the Netherlands or Belgium-Luxembourg, according to measures of the total assets of the three biggest banks

The Girozentrale beads a network of more than 700 savings banks with their branches. The cooperative banking sector, headed by the Genossenschaftliche Zentralbank (Austria's fourtb largest bank), has more than 2,000 places of business. In addition, there is a garden variety of private banking houses, mortgage institutes, Volksbanken (trade banks), consumer credit agencies and building societies.

Altogether, Austria had more than 3,900 banking outlets by the end of last year, or one for every

tics available, Austria had one outlet for every 2,003 residents, compared with one for every 4,674 persons in the United States and one for every 1,420 in West Germany.

The trend is decidedly in the direction of even greater saturation, and the proposed banking law is likely to accelerate the proliferation of branches. Tha government's new bill on tha credit business, which essentially brings the law up to date with the practice, effectively removes any restrictions on branching.

The commercial banks as well the big savings banks have been pushing for this liberalisation because the battle for market shares has forced the banks to seek customers traditionally belonging to other banking sectors. Economists claim that Austria, theoretically at least, is already "overhanked," but the commercial banks are likely, for prestige reasons if nothing else,

to continue branching out. Physical presence is the proven method of gaining retail banking customers, and this is what the commercial banks are seeking following the move of savings banks and cooperative banks into wholesale banking.

This shifting of the customer

parallels the trend in Germany, lowing the war, industry was which has a similar banking system. Big banks are becoming "universal" in their services and customer structure and forcing asset growth while scrambling for

Gunther Tichy, an economist at Girozentrale, sees this new development as the third phase in the postwar market segmentation in Austrian banking. In an enlightening study of Austrian banking published last August, Mr. Tichy sees the shifts in market shares between the major banking sectors up until now due primarily to historical and eco-

quicker to need and use banking services. In 1953, commercial banks had 47 per cent of all bank assets while savings banks held only 22 per cent and cooperative banks only 7 per cent. By 1960 private banking habits were more normal; the commercial bank market share slipped to 33 per cent, while sav-ings banks rose to 27 per cent and cooperative banks to 14 per

In the period 1960-75, as the smaller cuctomers traditionally rerved by the savings banks and the agricultural credit unions making up the bulk of the cooperative sector grew more prosperous, these sectors could grow and keep pace with commercial bank growth. The cooperative banking sector could even increase its market share to 18 per cent by 1975.

It is only, Mr. Tichy says in his study, as the natural dynamic of postwar recovery and increasing customer prosperity played out that banks began devising marketing strategies to steal customers away from the other

The new credit law, which is to become effective at the beginning of next year, charifles the rules of the game and puts the sectors on fairly equal footing for this market-shares struggle, Besides competition, the other precesupation of Austrian banking is politics. Politicization of banking in a small country is al-most inevitable, especially when the two biggest joint-stock banks. Creditanstalt and Landerbank.

are majority-owned by the government and such democratic sectors as savings banks and cooperative banks play such a big

Banks are divided into red and black camps and even the top posts within the same tank are held by bankers of different political colors. Not surprisingly, the flow of personnel between banking and politics is regular. The chairman of the opposition Peoples Party, for instance, beaded the Girozentrale before he was elected to his present position in 1975. At the end of January, Stephan Koren left his job as leader of the parliamentary opposition to became president of the Austrian National Bank, an appointment by the Socialist Chancellor Bruno Kreisky.

Domestie preoccupations with market shares and politics, as well as their modest size on an International scale, have kept Austrian banks from a strong engagement in international banking. Then, too, there is the naturally conservative bent in the Austrian temperament. Trade, of course provides the biggest international

Foreign assets of Austrian banks rose from 7.7 per cent of total assets in 1970 to 12 per cent by the middle of the decade. But this proportion doesn't show many signs of growing further as the banks involved seem content to let international business grow proportionally. It is above all the joint-stock banks which are involved, with 28 per cent of their

Economic Indicators Point to Declining Growth

stiff measures to try to begin a

The Austrian government's program to battle the country's economic problems, announced last fall is a mixture of measures to cut the federal deficit by some \$520 million and increase revenues through various tax measures that will put greater burdens on the individual and private enterprise. At the same time, the government announced a 10-year investment program of more than \$35 billion for improvements in construction, agriculture, research and development and other industrial sectors. One measure, raising the valueadded tax (VAT) from 18 to

goods effective Jan. 1, was gen-erally regarded as necessary to try to stem imports of such con-sumer durables as automobiles and stereo equipment. Austrian imports of more than 450,000 foreign cars in the past two years (Minister Staribacher: "A gigantic number") are estimated to have accounted for nearly onethird of the foreign trade defi-Concerning VAT, Rudolf Sal-

linger, president of the Federal Economic Chamber, said recently that "attempts to limit imports are risky because of the possible disagreeable consequences for our exports."

Also, industry has been left somewhat confused about the government's raising taxes on

same time making plans for long-term investments Hans Igler, president of the Federation of Austrian Industrialists, an organization made up of medium to large-sized companies, said the povernment's tax and investment proposals had caused a "confidence gap" in private industry. He told a recent parliament session that a "credible change" in the direction of the government's economic policies should necessarily include a "reduction taxes on investments and (of those) on the export in-

Industry is also hoping that the country's 16 unions, organized the powerful Austrian Trade Union Federation, will

ments have already shown a trend toward compromise, with pay rises ranging from 5.8 to 6.1 per cent—somewhat less than the unions' bargaining formula of the rate of inflation (1977: 5.51 per cent) plus I to 2 per cent, but more than what industry would like to pay. These settlements point to what may be Austria's best hope in getting through its economic

this year. Recent wage settle-

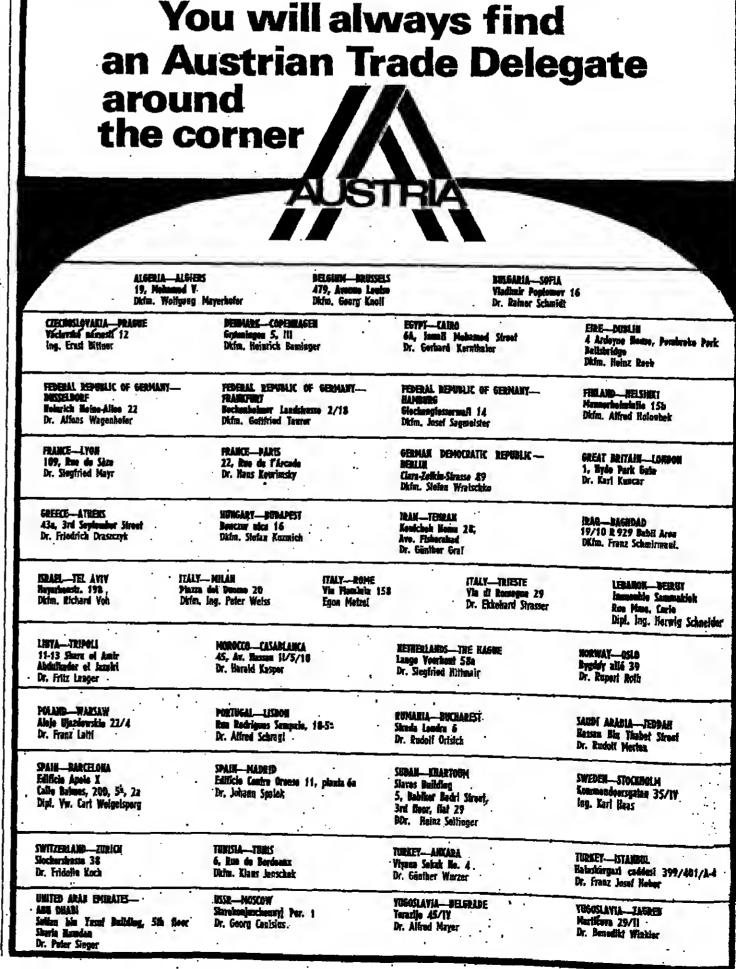
troubles: The high degree social cohesion provided by the Socialpartnershaft (social partnership) between industry, represented by the Federal Economic Chamber, and labor, represented by the Austrian Trade Union



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VOEST-Alpine, Industrial Giant, Looks to World Markets

Austrian industry is the iron hand steel group VOEST-Alphoe LAG, one of the works at provides at provides at the provides LAG, one of the world's leading

VOEST dates back to the Hermann Göring Reichswerke AG. in the 1946 move to gain Anstrian influence over former "Germen assets," the company underwent a massive change as part of the concentration of the nationatised industries in the early panies became one VOEST-Apine with two subsidiaries. The subsidiaries, refined steel producers, became the Vereinigte Edelstahlwerke AG (VEW-United Refined Steel Works) in the

mid-seventies The largest industrial enterprise in this country and the parent company of the combine, voissT-Alpine has 11 production plants in Austria and employs about 80,000 people. For more than two decades, the firm's name has been linked worldwide with the LD oxygen-top-blowing process, which was developed at its Linz and Donawitz plants (bence LD) and which accoun for about half of the total world crude steel production. Licensing expired in 1974. Now VOEST-Alpine sells know-how for the

Highly diversified, the company also turns out chemical and petrochemical equipment, inidges, mining and tunneling machines and through its engineering and through its engineering and the control of the co nd supervises industrial plants : all over the world. Last year, exports accounted for 67 per cent of total sales, which were 26.8 billion schillings (about \$1.8 bilise non).

VOEST-Alpine has not been spared the effects of the worldwide steel crists. How it cut time: tack newly increased production = z and its plans for the future are -r - discussed by the new chairman of the board, Heribert Apfalter, in an interview at the combine's - main office here with Thomas C. I ucey of the International Herald

Q-What is your total steel

lion tons, so the effective capacity is less than 80 per cent. Our high point was in 1974, with 100 per cent. But you have to consider that our five-million-ton capacity . was first reached with our new. blast furnace, in 1977. The planning and investment time span in steel is relatively long. Our previous capacity, before the furnace, was about four million tons.

Q-What capacity do you expect to work at in the future? A-For 1979, we expect the same capacity as in 1977, or between 70 and 80 per cent. For beyond that, we don't expect any essen-

fear that industry is not able to use what we can produce. So, we will keep the capacity we now bave; we'll freeze it. Especially with the currently available amount, we will spe-cialize and go for the highest

quality, to fully use the export possibilities for steel production. Fifty per cent of our mass steel sold directly to nearby works. The goal of this company is

to emphasize steel processing and building industrial plants. O-How much of your capacity is devoted to building industrial

plants? A-That is a very important

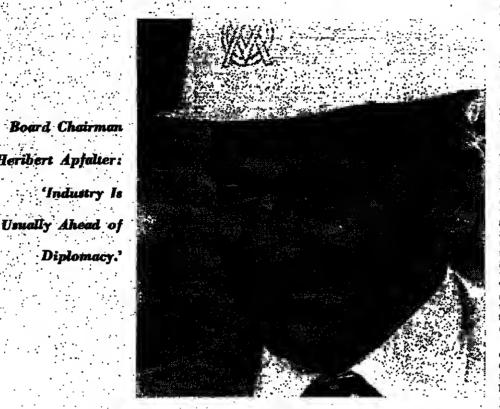
point. It is future-oriented. It is between 25 and 30 per cent of our capacity, almost all overseas.

We intend to increase this in the next years by 50 per cent; although the prices may be higher, so that mass steel production will be only 50 per cent. We hope we are able in the eighties to raise the share of building industrial plants to shout 50 or 60 per cent. That is, mathine making, steel constru finished steel products and especially industrial plants. An important part of building plants is the service function-engineering, training, etc.

Q Overseas, you are active in

A-Yes. VOEST-Alpine is strongly involved in refined steel in Red Chine. We hope, on the basis of the changes in the in-ternal political situation there, for the chance to increase our A-Five million tons, but our exports, especially finished prod-

Heribert Apfalter:



nots and complete plants. Remember, we delivered a steel count to China ten years, so we have a good start in this area.

Q-When you build a plant oversess, do you usually build

A-That depends on what the mer wants. When we build in industries countries, we do build and leave. In developing countries, we can train people send our own people, to run the plant for a long period, giving the customer a long start-up time faction with the new plant, Q-And in China?

A-At that time, ten years ago, we delivered, built and put the steel plant into service. The Chinese took it over, and it functions very well.

Q-Austria is specting to have. Will you go there, too? We have been in Cuba for

a long time. Industry is usually ahead of diplomacy. We have built industrial and agricultural plants with our subsidiary, VEW, and achieved good results. We converted molesses to alcohol and built food processing plants, Q-Are you very active in

A-I wouldn't say very active but we have a very good reputa-tion in Cubs. So that the amount of business we had in the pasta few hundred million schillings -we can also have in the future. Q-Let's turn to the crisis mea-

Cuba?

sures that have been taken here. A-Our refined steel subsidiary, which has 20,000 workers there are 80,000 in all—just introduced its program of ten days unpaid tion. That is only for this year, and it affects all, manage-ment and labor. For management, however, they have to work these ten days anyway. They will not be paid, of course. They have to give a good example.

Q-Is this a first in Austria? A-Yes, and it shows the ability of the nationalized industries to take action when necess And onickly.

The representatives of the employees were 100 per cent agreed that this action had to be taken. That is a special characteristic of the Austrian economy, the willinguese to share responsibility.

Q-Here, at the parent company, you have started to re-train workers.

A-We started training in November and December. It depended on the situation in the incividual departments. There was training further educati and retraining for new jobs. In some cases, this was carried out on the job. Here in Upper Austria, in the Line area, we carried cut training by radio. Every day there were two lectures on radio, on hour in the morning and an hour in the aftermoon, and the workers could

was the first time this was done in Austria. It's an Austrian in-

Fifteen thousand workers were involved, and we were in no position to put them all into lecture balls or classes.

The lectures were on the normal regional program, and even the people who didn't work here enjoyed it.

This was only for two weeks. We had put all the contracts we had on hand together, fulfilled them and then gave these 15,000 workers two weeks for the classes on the radio. The first lectures were held on six days-they were specially prepared for this and now we have a puries for ten days available. The first lectures were on the International Standard System that was introduced in Austria on January 1. The second series covers the individual jobs in relationship to the overall process. It provides the worker with the technological background of his job.

During the radio lectures, workers could call in directly to ask questions and got an immediate uswer. We had a very lively participation. More than 95 per cent of the workers actively lis-

Q-You probably had more workers listen to the radio lectures than would normally come

A-That's right. With an absentee quota of about seven per cent, we had a higher percentage for the radio lectures.

An institute is now evaluating the questionnaires to see how much each worker learned this way. But if the market reaches the level we expect, we will not have to do this again.

We have also had complete retraining, but this was more limited. In a two-year program that started in mid-1977, about 1,500 to 2,000 workers are involv-

(In addition to those who were retrained, VOEST-Alpine also cut back its work force by about 2,500 foreign workers when their contracts expired. In all, the combine has reduced its emby about 4,000 since

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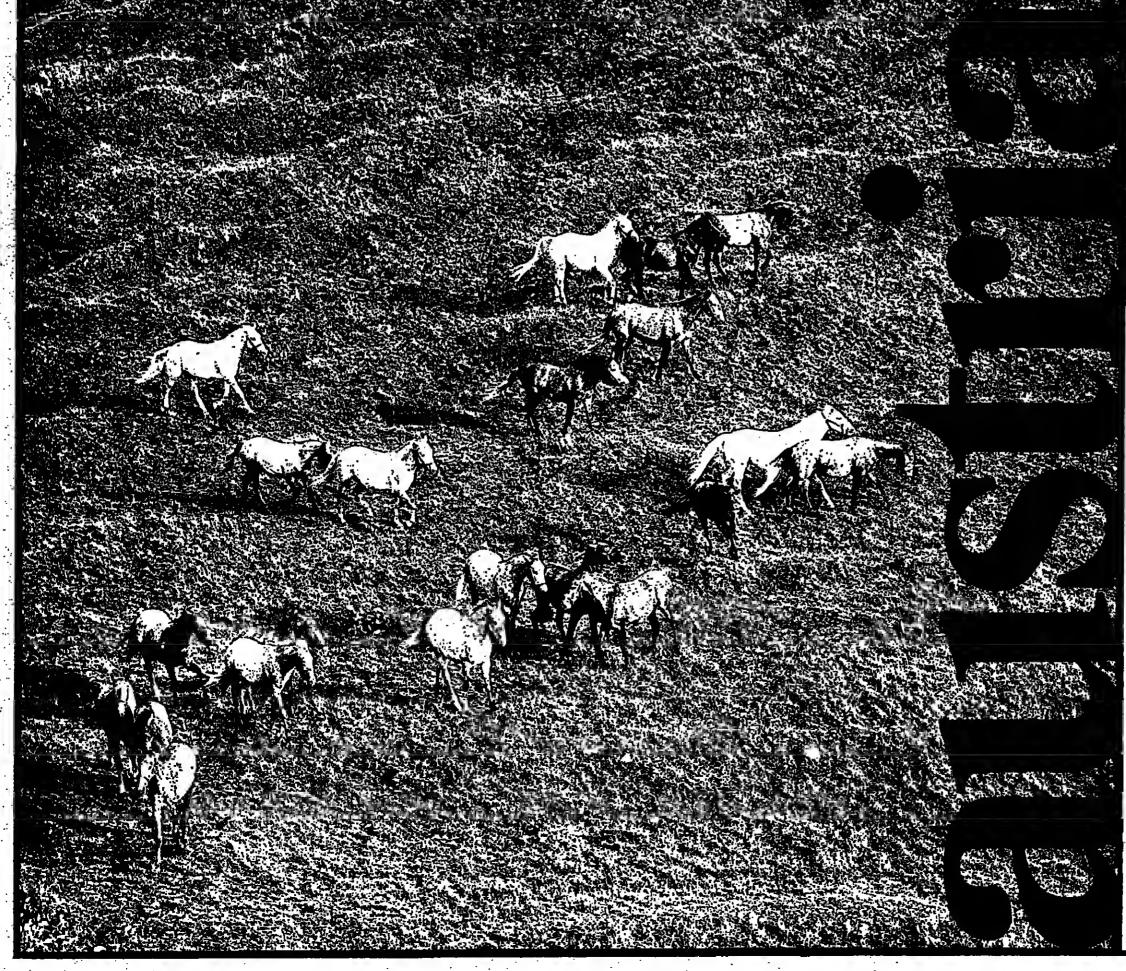
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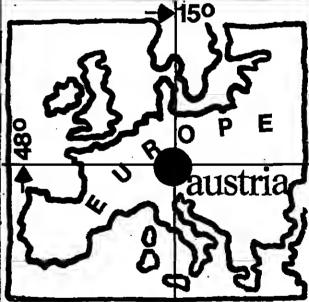
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Future of First Nuclear Power Plant Remains Uncertain

By Ernie Reed

//IENNA (IHT) —One of the big questions confronting the Austrian energy situation is if and when the nation's first thermal nuclear power station will go into operation. Other problems are the amount of crude oil that must be imported and the development of more hydroelectrical power sta-

Some experts here feel that the planners put the cart before the horse when building the \$53-bilhon nuclear power station at Zwentendorf, about 20 miles northwest of Vienna. While there are constant protests by Austrian anti-nuclear groups, still the more important issue has hinged so far on Austria's failure to find a place to dispose of its nuclear waste. It has sent representatives to Iran, the United States and elsewhere but apparently no country wants another's waste, especially when it contains elements considered as dangerous by many. Nevertheless, the issue must be solved if the country is to use nuclear power to cut down on its imported energy needs, which amounts to about two-thirds of the total.

A government economic expert pointed out that the Zwentendorf plant is supposed to operate about 6.000 hours per year, and during this time, its output of 4.2 KWT will almost equal the production of about four Danube hydroelectrical power stations, which each annually turns out about 1.3 billion KWT of electricity. Also the plant will reduce the use of some of the older thermal power stations which are more expensive to operate because they need crude oil that is becoming more expensive. He also said that if the Zwentendorf plant goes into operation, it will compensate for the rise in energy demand for the next two or three years.

Electricity

All in all, power supplies for Austria are furnished mainly by coal, oil, natural gas and hydroelectrical power. Because it is a mountainous country with a dense river network, Austria has become a major producer of electrical power and, along with West Germany and Switzerland, it is one of the major electricity exporters in Europe. The network of hydroelectrical power stations

now in development is expected to the import demand to cost of some \$800 million. Also an acceptable limit

But the increasing demand for energy, another official said, is such that even the construction program for hydroelectrical power stations cannot keep pace with it. He pointed out that Austria must import two-thirds of

he feels that import demand will grow and crude oil prices will climb. Austria imports most of its crude oil from such OPEC countries as Irsq, Iran and Libya. It also imports 80 per cent of its liquid gas from the Soviet Union.

prospects of finding oil by dig-ging deeply in regions north of along the Adviatic-Vienna pipeline the Alpa. There are already pros-from the port of Triests. The pecting and investments there. An important segment of the Austrian oil production is the Schwechat refinery, about ten miles east of Vienna. It not only handles about two million tons of

amunal amount pumped from Trieste averages more than seven million tons. The Schwechat refinery, certainly one of the largest inland refineries in Europe, is being gradually expanded to Officials say there are good crude produced annually in the handle a capacity of more than

14 million tons. The natural gas local factories and power stations as well as to industrial centers in other parts of the country.

One official knowledgeable on energy said that Austria's needs in the future will become more dependent on imports and that the current two-thirds figure will

climb to 80 per cent in the near that is drilled here is piped to future. Therefore, he said, the country must do everything to conserve energy resources. In view of the adverse outlook for crude oil, Austria will have to look for new resources, he said. The same official stressed the

importance of putting the Zwen-

which is now nearing completion. into operation as soon as possible. He printed out that the plant would be able to produce per year some 41 billion KWR. or about 15 per cent of the needed electricity. He said that it would relieve some of Austria's import concern and also curb depletion

World Slump and Growing Foreign Competition Trouble Steel

VIENNA CHT. — Steel and further losses and to rationalize in the steel sector stayed about manufacturing will probably production and product developmanufacturing will probably find 1978 a difficult year to get

steel slump and faced with growing foreign competition in certain branches both at home and aitroad. Austria's steelmen-from management level down to the workers have begun some belt-tightening to try to prevent

VIENNA (IHT).—The chamical

branch of the industrial scene.

In terms of production value, it's

second only to the food industry.

The annual value rate averages

There are altogether 892 ccm-

panies, of which 98 per cent are

privately owned. However, the

chemical industry here is clearly

dominated by the nationalized

Chemie AG Linz, which employs

about 7,500 people and has its

headquarters in the inclustrial

Abundant supplies of raw ma-

terials, especially wood, natural

gas, of and coal gas made it pos-

sible for a sizable expansion of the chemical industry after the

war. The main fields of produc-

tion are cellulose, nitrogen and

petrochemicals. A big range of synthetic fibers for modern tex-

tiles has been developed in Austria

from ligno-cellulose, cellulose and

netrochemical sources. Austria's

own textile industry uses much of

the staple fibers of the linen and

wool types, mainly flock or yarn.

ch'efly nitrogen and fertäiser, plus pesticides, pharmaceuticals

Chemie AG Linz produces

about \$3 billion

city of Line.

industry is a very important

Statistics for the third quarter Cambit up to the worldwide of 1977 show that total production in the steel sector was down 13.6 per cent compared to the same period of 1976. Production in the metalworks was down 1.7 per cent and in the foundries 4.2 per cent.
At the same time, employment

Chemicals: Watching and Waiting

and additional materials for the

The youngest branch of the

chemical industry, the produc-

tion of petrochemicals is located in the Schwechat refinery region.

Currently, some 300 major in-

dustrial enterprises and about 700 smaller companies process plas-

For about two decades, the worldwide chemical industry

prospered handsomely. There was

a great demand for chemical

and technology were used to sun-

But over the past two or three

years, the Austrian industry, like

its counterparts in other coun-

tries, has had some difficult

problems. They included: the increase in world production

which made it a buyer's market;

rising wages that have consider-

ably upped the cost of man

hours or the productivity rate.

and the loss of some markets in

which countries developed their

own chemical industry.
While it's true that there is

an increased demand worldwide

for fertilizer, only part of it is resulting in sales for this coun-

try. Austria at one time had

plant natural products.

ducts, as new developments

production of petrochemicals

the same, while unit labor costs climbed and productivity de-

Crude steel production, mostly accounted for by VOEST-Alpine AG in Linz, which belongs to the nationalized holding com-pany, the Austrian Industrial Administration Company (OcIAG), had dropped more than 9 per cent during the first three mar-

a very active market in East

Europe. But in recent years, thanks to the help of Western

technology and know-how, in-

cluding expertise from Austrian

technicians, these countries have

developed their own chemical in-

It is estimated that when all

the figures are in, the Austrian chemical industry will show an

increased production tonnage

rate for 1977 from five to six

value for the same period will be

a hike of about 8 per cent. Nevertheless, the rising wage

scale and cost of labor in this

country will counteract gains in

Because of the huge invest-

ment costs and the vast capacity

that is necessary for the chem-

ical industry, the Austrian enter-

prises are striving more than ever these days to sell most of their products abroad. But the

maintaining of the hard schil-

ling by the government is mak-

ing this aim a very difficult one.

Most officials here feel that the

first quarter or half of 1978 will

hold the key to whether or not the Austrian chemical industry

will be moving forward. -R. R.

terms of actual value.

per cent while the monetary

VOEST's turnover last year dropped an estimated \$60 million below the 1976 level, to about \$1.6 billion, due mostly to a 5.4per-cent fall in exports.

As Anstria's largest employer, VOEST has maintained the payroll at about 42,000 despite lagging sales and production. But recently more then a third of the workers were put on shifts, reducing their working time by up to 20 per cent.

The special steels subsidiary of VOEST, the Vereinigte Edelstabliwerke (VEW) also had a difficult year. Although it managed to increase its turnover slightly to about \$560 million, VEW estimates its losses for 1877 at about \$24 million, which equals the company's combined losses for 1975 and 1976.

Main Problem

According to a report by the Austrian Institute for Economic Research (WIFO), the main problem in the trade of iron and steel is that foreign prices have dropped more than domestic prices. Austrian imports of iron and steel in the third quarter of 1977 were estimated to have covered more than half of Austria's domestic needs, leading to a 27 per cent reduction in contracts for the Austrian industry at home

Austria's steel industry will be putting more effort into research and development to improve its technology in metal and steel production. The industry already has a good reputation due to its LD oxygen-blown steel process, which accounts for about half the world's steel output today. and to the powder metallurgy

ters of last year to less than process for producing high tem-three million tons. perature-resistant sintered metals. perature-resistant sintered metals. VOEST and VEW are also embarking on a program to restructure production with investments amounting to more than \$1.3 billion. The main thrust of the program is to have the individual supplier factories, most of which are located in the province of Styria, specialize in only a few

The program is also intended to further develop what for VOEST-Alpine and VEW is a growing business exporting industrial plants and equipment. Last year between 25 and 30 per cent of VOEST's turnover was in industrial engineering, and the company started out 1978 with long-term industrial equipment orders exceeding \$900 million. Together with such nationalized firms as the machinery producer Simmering-Graz-Pauker (SGP) and the electrical equipment manufacturer Elin-Union. and such private companies as Wasgner-Biro, J. M. Voith AG. and the automobile manufacturer Steyr-Daimler-Puch AG. Austria's steel industry has been able to win important contracts in the Middle East and Africa.

Decline of Mining a Real Problem

VIENNA (IHT).—Mining is a declining industry and is one of the real problems of the industrial sector in this small mountainous country whose geological formations have been yielding iron and other metals and valuable minerals for hundreds of years. But the times have caught up with the industry here. It has been going downfall since the carry sixties

In 1976, the overall mining output amounted in value to about \$400 million, which meant that the industry had accounted for about 5.4 per cent of the total Austrian industrial volume of production, And in 1977, there was another decline in relation to the oversil production, sliding to about 5 per cent.

Mining sources say that the saire of the world situation has been an important contributing factor to the retrogression of the industry. They point out that Austria now imports much of its essential raw materials from less developed states where the labor and overall costs are much cheaper. They stress that it is not a question of declining resources here but one of costs.

is a capital - intensive industry. The commercial situation is such that the Austrian companies make too little profit, if any, and so they have very little capital for investment.

The cost mining sector currently is devoted entirely for domestic use. At this time, only lighte (soft brown cost) is being produced in Austria and is used mainly for the heating of households and only a small segment for thermal power stations, Anthracite (hard coal) has not been mined here for ten years or more and must be imported from other European countries.

One glimmer of hope for the industry has been the opening of a new lignite mine at Voltsdorf, Styria, which officials say will be mainly used for a thermal power station near there. Meanwhile, the nationalized Voest-Alpine AG in Linz, which plays the major role in Austria's nationalized steel enterprises, has concluded a joint-venture agreement with the Massey Coal Company, an affiliate of the St. Joe Mineral Corp. in the U.S.

to cover some of its bituminous

Another factor is that mining coal needs. (The Austrian steel company has ventured a capital investment of some \$33.3 mullion for an 80-per-cent interest in a coal company located in Virginia that will produce annually about 700,000 tons of bituminous cost

The overall annual output of iron ore, magnesite and mineral oil (considered a segment of the mining industry in Austria; has been steadily declining over the past years. For example, only 98,000 tons of magnesite was mined in 1976 compared to some 153,000 tons the previous year. In the same period, the output of iron are fell to 3.784,000 tons from 3,833,000 tons, and mineral oil declined some 39,000 tons from the 2-million-ton mark in 1975.

However, there was a better trend in the production of zinc and lead, with 418,000 tons mined in 1976 compared to some 390,000 tons for the year before. Also officials here are more optimistic about the mineral oil situation and believe that in the coming : years the production will be sizably increased.

iennal9//

Vienna, a city which often appears to visitors to be rather drab, is smartening itself up.
Palaces, museums, churches, theatres and the numerous large middle-class mansions – all witness to

a dazzling past - have been given a new and sparkling facade. On the "Ring", the famous avenue encircling the Inner City, there is hardly a building left that has not now been given a face-lift. The "Kärntner Straße", the

"Bond Street" of Vienna, has been turned into a pedestrian area. Why do we tell you all this? Vienna is currently going through the same process of transformation as some other European cities

have already undergone. Amsterdam, for example, London or Hamburg. Fresh colours, the many small shops, galleries, boutiques and restaurants all serve to rejuvenate daily life in the city.

Cultural experiments, modern theatre. interesting exhibitions. These are all signs symptomatic of a

flourishing economy.

Not least owing to the importance of Vienna in trading with Eastern Europe, as a focal point and an international

market place. And last not least owing to the strong position of the Austrian currency and the stability of the Austrian economy,

The "Erste", the major Austrian bank in the very heart of Vienna, has expanded its international business considerably over the past few years.

At the same time, our policy has been one of caution and security, and the proportion of foreign business as shown on our balance sheet for 1977 amounts to less than 10%.

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he "Erste" will be glad to advise on all questions of export and import financing, for we have concentrated especially on financing operations which assist our own clients. As an example, medium term Euro-Credit transactions may be mentioned.

> The "Erste" is participating more strongly in "international underwriting," too. Since 1977 we are a member of SWIFT. and so international currency transactions in Austria are now executed in a matter of seconds: Through the "Erste".

Do you see, quite a lot has taken place in Vienna during 1977. And as a successful banking institution we have been keeping pace with the increasing success of our

flourishing city.
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to simply "Die Erste", the short form by which we have been familiarly known to our many business partners for many years. Mr. Peter Reichel would be happy to answer your enquiries. His extension is 368.

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mopeds, cross-country vehicles, coaches and buses, tracked vehicles, forestry machines, ball bearings, hunting, sports and military weapons.



Summer of Discontent for Tourist Trade

VIENNA (CHT).—With the Alps cally seen among the West German overnights in Switzerland for skiers and bikers, majestic mans. ("The Germans are tradi- seared by 12 per cent. In the natures for sightseeing and no small amount of wine drinking and accordion music for every-blody. Austria has long been able to count on tourists spending grouph foreign currency here to believe its foreign trade figures.

last year, the magic formula didn't work. Foreign visitors spent fewer nights in Austria-overnight stays are the ones that get into the statistics—and the country lost part of its market share in international tourism Even though the percentage of decline for foreign tourist overnights and for the merease of overnights by " American tourists was about the sime 4 per cent it "did not fully compensate for the setback in foreign tourist travel." the lituratelt-Benkverein reported

Why did the Alps, the palaces and she wine and song so suddenty lose their charm for for-

In 1977, according to the Ausroh tional tourism in general increased reflecting the improvement in the world economic estration in 1976—the preference was for va-cations in the Mediterranean ares. Raly and Portugal had tourist, booms. Overnights in Spain and Greece increased above average. WIFO estimates that these four countries experienced a 30-per-cent growth in overnights. Only Yugoslavia did not share in the growth of foreign tourists.

instead of eating Sacher cake and listening to Musik, foreign tourists were enjoying spaghetti and the fado.

Austria had benefited, acoffice in toucism in the Mediterranean from 1973 to 1976 because of political unrest, despite the fact that the tourist price level here climbed from 1972 to 1976 by about 22 per cent more ing countries. Ythan in compe Then, when the Mediterranean made its comeback last year, Austhis also suffered by being about 2 2 10 per cent more expensive than Switzerland, its main competitor Couts countries offer similar tourist attractions). The Swiss had franc had declined egainst the

The change can be dramati-

tionally the higgest national group. among foreign tourists in Aus-trie," noted Walter Klement, head of Austrian National Tourist Ofpointed out that from January to August last year, German over-nights in Austria decreased by

two per cent, which was above

season alone, German towists in Austria declined by five per cent.

Because of the loss of value of fice in West Germany.) WIFO the French franc and the British pound against the schilling, fewer per cent) and Great Britisin (-25 per cent).

tons per year, which would cover two-thirds of the country's

Meanwhile, farmers will be en-

couraged to grow more quality grains which can be exported

more easily and therefore reduce

the subsidies needed to promote Austrian grains sales. The gov-

ernment is also financing an ex-

perimental program in soy-bean

The biggest problem facing the Ministry of Agriculture is the overproduction of milk. Under

the current system, the govern-ment pays the farmers roughly

20 cents per kilogram of milk

delivered, up to a certain vo-lume. For additional milk de-

livered, the government and the

farmers share the costs of pro-

Because milk deliveries totaled

2.27 million tons, which was

about 25 per cent more than domestic demand, the govern-ment and farmers paid \$70-plus

million last year to finance ex-

proposed by the ministry, farmers

would receive about 24 cents for

milk deliveries up to 110 per cent of the domestic demand of 1976.

The system would curb milk pro-

duction because farmers would

actually receive full prices for between 80 and 90 per cent of

their total deliveries last year.

of the farmers' association his or-

ganisation is opposed to the gov-

ernment proposals because they

"would mean a decline in the

farmers' incomes. Our position is

that the farmers receive full

prices for deliveries up to 118

According to Rudolf Strasser,

Under a new system recently

moting milk exports.

moduction

New Farm Program Seeks **Broader Range of Products**

VIENNA (IRT) -Austria's agri- duction of seed oils to 120,000 culture and forestry sector, which accounts for about 53 per-cent of the country's total GNP, is beginning a program of structural changes to broaden the range of agricultural products and so reduce imports.

Despite a steadily declining mber of full-time farms (about 180,000 compared to more than 200,000 in 1974), agricultural production has increased remarkably over the last decade, consistently exceeding domestic demand for meat, grains, milk and dairy prod-

Socialist party government's Ministry of Agriculture faces two main problems. One is although Austria covers about 90 per cent of its own food needs, it is still a net importer of agricultural products. Last-year, the agricultural trade deficit, mostly due to imports from the EEC. may have reached

The second problem is that overproduction has led to steadily rising price-support subsidies from the federal government. The Austrian Institute for Economic Research (WIFO) reported that subsidies last year reached nearly \$220 million, much higher than originally planned. The government hopes to reduce price-sup-port subsidies this year by about one-fourth.

At the top of the Ministry of Agriculture's program are financial incentives to farmers to grow less grain and more oil-yielding plants, Austria imports about 93 per cent of its vegetable and seed . oils accounting for about 20 per cent of the agricultural trade deficit.

The goal is to boost the pro-

Benelox countries and the United WIFO estimated that Austria's

net income from international tourism declined by 3.5 per cent.

The final statistics for 1977 may be a tiny fraction more posithe than in the WIFO report because "we expect the statistics to show December was the best December we've had," said Frank W. Knebler, business director of the Austrian National Tourist Office in Vienna. "In the main ski ereas, it was a dream."

Trouble in Summer

"Basically, summer tourist traffic has not developed like the winter's," he said. "The winter is not our problem, but the sum-We must fight for every percent in the market for summer torrists

Hans Mikudicz, head of the torrest organization's research, dent, noted: "It's interesting that in the summer, the main deckine is for lower-priced penslone but it is not so bad for the A and B category hotels."

Mr. Mikulicz explained that one cause of this was the fact that 15 million people are unemployed in Europe. 'They are mostly from the lower classes the people who go to the lowerpriced pensions," he said. "When they lose their jobs, they drop out as travelers."

Lower-priced pensions also usually don't offer any indoor rec-reation facilities, so their guests are inclined to leave in bad weather, such as hit Austria last summer. "A few days of rain and they are in their cars and gone, said Mr. Kuebler. "Austria is a small country. In 100 kilometers they are across it and in Italy, looking for sun."

Neither Mr. Kuehler nor Mr. Mikulicz place much faith in fore-

"In the travel field expecially I don't have a good opinion of prognoses, although the trade minister must make one. Theoretical prognoces are of little practical value," Mr. Mikulicz said.

But he does recall one made by Stephan Schulmeister of WIFO m 1975; tourism in Austria will develop more favorably than the branches of industry.

And one of its main duties is to carry Austrian quality beyond the borders and promote the national export trade.

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Textiles Hit by Rugged Competition From Low-Cost Countries

VIENNA (IHT).—Rugged com- East are still the main problems point out that the instrument of Switzerland; the Inn valley in ' less developed and East European · countries is not making it any easier these days for the Austrian textile industry. Textile experts say that the high costs for textile raw materials, the absence of long-term orders and the con-"tinuing flood of imports from low-pricing nations in the Far

petition from Far Eastern, confronting the industry. Most competition from most of the of these competitive countrieswith their own raw materials and much cheaper labor-certainly can offer fabrics and ready-made clothes at much lower prices than Austria, where the wage scale has attained the high level of other West European nations. Officials here are quick to

can charge for their products. They believe that the quality and workmanship of Austrian textile products are superior to most of the imported items. There are 645 firms with about 52,000 employees in the industry here. The three main textile

foreign countries is not quality

but rather the low prices they.

western region and which has borders with West Germany and

production, and particularly in the internationally popular "Loden" or ccarse wool products. Vienna is known as the center for fine worsteds and the more fashion-geared clothing industry. A: one time, Austria used to centers are located in the province export much more textiles then of Vorariberg, Austria's most it imported. But since 1975 the

many, which is by far the na-tion's triggest trade partner. Other sizeskie export markets are in Switzerhard, Great Britain, North African countries and France. But now large countries such as the United States and many others, which used to ignore the Austrian market; are competing for it.

Two major factors that have been harming the progress of the textile industry here are the further increase in competitive pressures from the low-cost countries on the domestic and

ing change in parity rates. The latter factor, coupled with further increases in wages and social costs paid by the employer, has adversely affected the textile industry's competitive position both at home and ebroad.

In keeping in line with the Socialist government's hard policy to meintain the low memniorment rate to two per cent or less, some of the larger textile factories have been accepting orders that virtually eliminate

past two or three years have almost doubled

Another problem is imports from third countries circumventing trade agreements. In order to prevent imports via third rations of products originating from the Far East, the Austrian Trade Ministry has instituted a monitoring procedure, which went into effect last autumn, for several important textile prod-The new regulation requires importers of tertiles and

The nationalized railways, which

need modernizing, and state-own-

ed trucks are being confronted by

growing competition from the private sector. Since 1974, some 70

per cent of the people travel by

private cars and by 1980 this

figure may climb to 80 per cent. The private trucking sector ac-

domestic goods transported, and this percentage will increase.

trade deficits in textiles in the declarations for such products as men's and women's outer wear, stockings, woven fabrics of wash and continuous man-made ficers. terry fabrics and bed and table

After being visaed or endorsed by the Trade Ministry, the import declarations have to be returned to the importers, who present them to the customs officials when the goods are cleared

These circumvented imports have been stepped up in recent years. They are the side effects of Austria's self-restraint agreements with low-cost states like Hong Kong and Taiwan. Apparently, after Austria had negotlated quotas within the framework of these self-restraint agreements for the import of certain textile products, and after these quotas were filled, some companies in the cooperating countries started to deliver textile items to such other nations as West Germany, Italy and the Netherlands, that subsequently turned around and re-exported them to Austria with forged certificates

Transport: Important Links Are Overburdened

early history, coats of mail, dwelling, customs, religious folklore, musical instruments, traditional costumes, handicrafts and trades, old guild and penal instruments, weapons, medieval and modern statues, paintings and drawings, coins, golden jewelry and ornaments, special exhibitions.

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Kohlmayr's

the centuries as a crossroads for East-West trade, Austria is still an effective bridge between these two areas. A small, mountainous country, nevertheless, it has man-

lines is in the air today be- and

cause two other airlines were not

able to get off the ground. Lit-

The treaty of 1955 that ended

the postwar Allied occupation

granted Austria sovereignty over

its air space and the right to

start its own airline. In their

eagerness to take advantage of

By appointment only:

erally.

northern and southern Europe. Over the years, trade has become heavier between the Western industrialized countries, East aged to create a dense transporta-tion network that extends to its Austria finds its roads, highways

Austrian Airways - were

About two years later, in April

1957, the two unsuccessful firms

merged as Austrian Airlines

(AUA), a 99-per-cent state-owned

company (its one per cent has

30 shareholders, including the

Austrian pilots opened the world's first scheduled route in

Not a plane took off.

started

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city of Vienna).

the Tyrol, and Vienna. Vorarl-

berg is the center for cotton,

woven goods and lace while the

Inn valley specializes in wool

situation has reversed. Austria's

main export market is West Ger-

VIENNA (IHT).-Known over most remote regions. Its Alpine and streets, and especially in the passes provide important links for summer, overburdened with domestic and foreign carriers. Officials say that to keep up with this trend, the country will have to build up an infrastructure and huge investments will have

AUA: A Pioneer in Air History

VIENNA (IHT).—Austrian Air- this two companies—Air Austria international air traffic, between Vienna and Kiev, in 1918. At first, it was only for mail. In May, 1923, the predecessor of Austrian Airlines, OLAG, started its first route, Vienna-Munich, and quickly became the fourth

piggest strine in Europe.

Reaching for bigness caused Austrian Airlines trouble at the end of the sixties. In 1969, it was in the red. People lost their jobs, routes were canceled-including the one to New York with Sabena and almost all domestic flights-and the airline switched to a new plane, the

Thanks to Austria's neutral status, its airline was able to pioneer routes to Eastern Europe in 1958, despite the Cold War. AUA has also built routes in the Middle East and Scandinavia as well as throughout Western Eu-

In 1972, it flew 706,611 passengers, more than a million in 1976 and 1,187,000 last year.

nancial burden. For the first time, Austria is planning a special truck tax. Likely to go into effect in mid-year, the tax will apply to foreign and domestic trucks. However, the foreign carriers will have to pay a much higher tax than the domestic trucks. It is believed that the tax will amount to about \$6.50 for every 2,200 pounds of goods carried about six miles. Some here fear a backlash.

devised a plan to ease the fi-

Other countries which do not have such a regulation will likely reciprocate with a tax on Austrian

Currently, there are about three million registered vehicles in Austria and some 450 miles of highway that the government plans to triple over the coming years. The rallways are nationaltzed and cover about 3,500 miles. .There are also some 24 special mountain railways. The navigable waterways - the Dannhe forms the biggest part- total about 500 miles. Some 216 miles of the waterways can be used by motor or steam craft. The Danube is an important link for both West Germany and Austria with East

Austrian transportation facilities, of which the railroads are an important segment, annually handle about 380 million passengers and about 50 million tons of goods. Danube shipping averages more than five million tons per year.

Construction Is Healthy

struction industry was one area of the economy which showed healthy growth last year, continuing an upward trend begun in 1976 following the steep decline during the 1973-75 period.

A report by the Austrian Institute for Economic Research (WIFO) showed that after a real growth of two per cent registered hy the construction industry in 1976, real production in 1977 is expected to show a five-per-cent increase. More than anything else, a special 50-per-cent depreciation allowance for business construction projects begun after Dec. 31, 1975, and completed before the end of last year is seen as having provided the main stimulus to the construction industry's growth during the past

Within the construction indus-

[TENNA (IET).—Austria's con- try, building construction is in a somewhat stronger position than civil engineering construction, according to the WIFO re-

The outlook for the construction industry in 1978 is mixed. The Ministry for Construction estimates that turnover in the industry will be around \$3.3 billion, which would be an increase of eight per cent over the 1977 level.

But builders, organized under the Federation of Industria; Construction Companies of Austria (VIBOe) with a membership of 45 firms, point out that only about a third of the turnover would be in actual construction.

The construction industry will also get some help from the government's recently announced "immediate construction program" providing federal construction contracts amounting to some

-D. S.

311

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Social Welfare Benefits Include Labor-Management Cooperation

VIENNA (IHT).-Austria's social welfare system is probbly one of the most comprehensive among Western countries. touching all aspects of the citisens' lives at home and at work.

The Austrians are proud of the system, which is the creation of more than a century of struggle between workers and the upper classes. Today, social welfare is universally accepted as an integral part of postwar Austria, carried out by the Ministry for Social Administration but determined in the main by the social part-

rs labor and industry. The federal budget of Austria shows what role social welfare has in Austria's social-economic structure. Social welfare and health expenditures in 1978 will be about \$4.5 billion, or more than 26 per cent of the total

system as a "from the gradie to the grave" program may not be inaccurate, but such stereotypical terminology does injustice to the · fact that the Austrians, a socially and technically cohesive people, pay for the program themselves.

The Family

The social welfare benefits which every Austrian is eligible to receive start with the family. For example, young couples getting married receive about \$1,000 from the government. To encourage proper medical care before and after the first child is born, the government pays an additional \$1,000 up through the first

At the same time, a couple receives child support amounting to nearly \$60 a month for one child (compared to about \$25 a month in neighboring West Ger-

Leader Among Neutrals

(Continued from Page Lt

into account if the political system is to be properly assessed. For instance, the influence of various organizations within the parties, the provincial governments and the churches, as well as the threat of potential plebiscites, act as a permanent corrective to any abuse of power by-

a single person. Chancellor Kreisky has mastered the art of balancing his cabinet so skillfully—with party liners, non-party specialists and federalists of both sexes, young and old-that it is difficult to fault him. (Although he did, at one early stage inadvertently admit an ex-Nazi to a ministerial appointment—quickly annulled and had some awkward parliamentary questions to answer that year when a defense minister was spotted infringing the Neutrality Act and was subsequently fired.)

For all these shortcomings, Austria has nevertheless chalked up an enviable record of social peace and political stability. Not for nothing has Kreisky been described by a conservative biographer as a "Social Democrat without dogma."

OPEC

It is precisely this political -some would say lethargy—that has made Austria so suitable as a base for international organizations. The Or-ganization of Petroleum Exporting Countries (OPEC), may have mixed feelings about the location of its headquarters in Vienna following the terrorist attack of December, 1975 (which could equally well have happened cisewhere), But the International astitute for Applied Systems Analysis (EASA), situated at Laxenburg, just outside the capital, has been ecstatic in its praise of Austria for aiding it to fulfill its role as an intellectual bridge between East and West,

Also here are such United Nations bodies as the International Atomic Energy Agency (respon-tible for Non-Proliferation Treaty taleguards) and the Industrial Development Organization. Both will be moving into new permanent quarters in 1979, in the vast International Office and Conference Center on the left bank

of the Danube. Vienna will then pride itself, rightly or wrongly, on being the third UN city, after

Human Rights

New York and Geneve.

Certainly Austria's commitment to human rights will be documented when a big Unesco conference is held in Vienna to mark the 30th anniversary of the UN Charter of Human Rights. True, Austria has come in for some criticism over its hendling of rights for ethnic minorities, but that fades when one remembers the assistance in finding esylum it has given, from 1956 onwards, to hundreds of thousands of refugees from Eastern contingents of Soviet Jews emigrating, via Vienna, to the West. (Although Mr. Kreisky gave in to an Arab terrorist demand in 1973 by closing a transit camp run by the Jewish Agency, an alternative site was soon set up under Austrian control.)

For all its supposedly inwardoking policy—and the average Austrian citizen hardly thinks of himself as being a world citizen
—Austria still manages to play a leading role among neutral and non-aligned countries, for instance within the framework of Cooperation in Europe. hope has been pinned on the acceptance and implementation of the principles laid down in the 1975 Helsinki Final Act, perhaps because, as Foreign Minister Willibald Pahr put it, "Tolerance is the leitmotif of Austrian policy."

The fashionable word being used in government handouts to describe the present state of Austrian society is "piuralistic," meaning, apparently, that every-body can have a say in running a decidedly mixed society. It may not be the whole truth, but an element of pluralism can certainly account for the fact that Austria is, on the whole, doing so well in keeping abreast of interna-tional developments and in making its voice heard and respected in world councils. Only a generation ago there were genuine doubts whether Austria would survive as a separate entity, let alone prosper.

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Educational benefits for children include free books, health check-ups and immunization and vaccinations. Later on, university students receive stipendia in addition to virtually free tuition at

The current enrollment in Austria's 12 universities and fine arts academies is around 100,000, which is some 80 per cent more than were enrolled in 1969. In the field of health, most

Austrians receive free medical treatment under a national health care program, including dental care, hospitalization, sick pay for up to 26 weeks at halfsalary and other benefits. The range of other social ben-efits includes helping to finance

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A-Because we cannot produce a popular model car, 80 per cent

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workers' further education, unemployment compensation, accident insurance, and old-age pen-

Although the most costly, oldage pensions are also the most accepted by the Austrians. recent survey showed that 53 per cent of the people were against measures to cut old-age benefits. In 1976, more than \$3 billion in pensions were paid to about 1.5

million persons. Pensions are mainly financed

this situation, too. In Austria,

Second, the government sees to

it that cheap and long-term money is available to firms

the comparable figure is two

beginning Jan. 1 had to increase their contributions from 17.5 per cent to 19.5 per cent of wages (about 9 per cent from the workers' salaries and 105 per cent

paid by employers, By comparison, payments for old-age pensions in West Germany amount to 18 per cent of wages, in Switzerland 10 per cent and the United States about

of a parity commission.

Fourth, we have a declining rate of inflation. O-Some people, especially Austrian exporters, have called for a devaluation of the schilling.

Do you intend to devalue? A- No! The hard schilling hes its advantages, too. It has its impact on imperts, makes them cheaper. For the shoe into raise prices in Austria.

wage earner pays roughly 25 per cent of his monthly income to help finance the social welfara system, while employers pay rbout an additional 80 per cent of wages paid to the workers for social benefits.

The social welfare system is not just a matter of taxes paid and benefits received. It also involves such matters as working conditions, wages and prices and employment policies, which are worked out between employers, the trade unions and the federal

In the past, the social partners -employers and workers--bave tended toward stability and the willingness to compromise.

The best example of this

occurred recently when the management of the troubled Vereinigte Edelstahlwerke (VEW) wanted to cut its payroll by some 2,000 jobs. Talks with the workers resulted in no layoffs, but a reduction of overtime pay, ten days of unpaid vacation and other measures which may mean an effective 4-per-cent de-Such emphasis on stability in

The character of the social partnership has largely been determined for more than a decade by the two main protagonists-Anton Benya, 65, who has been president of the Austrian Trade Unions Federation (OeGB) since 1963, and Rudolf Sallinger, 61, president of the Federal Economic Chamber representing private in-

dustry since 1964. Both men share a respect for each other as well as a common view of the lessons learned from the economic and political turmoils of the First Austrian Republic between the two world Wars.

But mutual respect does not prevent Mr. Benya or Mr. Sallinger from defending their organizations' interests. In an interview. Mr. Sallinger said he hopes the trade unions would pursue a more 'reasonable' wage economy peeds a "breather which it hasn't had for a long time" from the social benefits demands of the workers.

Mr. Benya, for his part, countered in an interview with a West German newspaper that private enterprises have been saying they are being ruined by taxes beginning in the days of the First Republic. "but it was the Republic that went to ruin.

An Interview With Chancellor Bruno Kreisky peaceful work force. In Italy. position, for example, in building And then there would be the for example, per 1,000 workers, industrial plants all over the contribution to the balance of 10,000 days are lost (in strikes). trade. In France and Britain, you have

hours.

(Continued from Page 1.) nomic Cooperation and Development forecasts for 1978 a real growth of 1.5 per cent. How do you feel about that?

A-I don't have any use for forecasts. Forecasts are besed on known conditions but forecasts are no longer valid when one creates new conditions. Forecasts are based on the fact that conditions don't change.

Q-Do you think the economic conditions in Abstria will change? A.—I have always pursued a yery active economic policy. People have accused us of shooting sparrows with cannon. I can tell you that if we hadn't brought up the cannon, I think we would have 150,000 to 200,000 unemploy

[Austria has about 30,000 unemployed, or less than 2 per

Q And the inflation rate? A-Very low. We will be under five per cent. We will maintain our high rate of employment and keep down inflation. We had full employment in 1977, a high percentage of investment and low inflation, about 5.4 per cent. We had a had balance of trade because the Austrians bought too much from abroad, especially

Some of the consumer spending for this year has already been eliminated by the need to pay off time payments. Consumer credit will be hard to get in the future because there will be no money for consumer credit ... or only at very high interest rates The money won't be there (for consumer goods) because the credit institutions have been directed not to give credit.

to build its own car. Why? way to give secure jobs for skilled workers. If I had an assembly plant here tomorrow. I could very quickly here 3,000 to 4,000 people And when I start deliveries, I oculd scon hire another 3,000. And that has many effects. I would have to do a lot to hire 6,000 people with government

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Porsche, for example. Or Chrvs-(coming into Austria), without trying to gain influence for itcrease in the workers' earnings. self. The state doesn't want any Q-A luxury car? wages and employment has given dustry (which has asked for devaluation), it can get leather A-No. Middle class. About Austria one of the best records for 2 liters. Third, we have a highly qual-The ideal connection is with ified work force. The workers cheaper. If we devalued, prodthe fewest strikes. In 1977, it is for a new car assembly plant would not need training. They estimated that time lost in strikes an established auto company. We uels would become more expenamounted to six seconds per have a lot to offer. sive and then they'd say we have Pirst, our wages are not very are highly technical and intel-

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Music Turns Whole Country Into One Large Performing Arts Center

By David Stevens

VIENNA (IET).—More than by any other means, it is through music that Austria presents itself to the world and attracts the world to its doors.

If Vienna still considers itself "Europe's music capital" and Austria presents itself as the "land of music," this is historical fact that weighs beavily in Austrian life today, Vienna and the provincial capitals maintain a busy, typically central European musical life that in the summer accelerates to the point that the whole country seems to be one large certer of performing arts This is carried to the rest of the world through tours, films, broadcasts and recordings. For Austria, music is bly business

The historical debt is immense. The repertories of the world's symphony orchestras and opera houses would be all but unrecognizable today if it were not for the classical; romentic and post-romantic music that came from Vienna.

In little more than half a century, Haydn, Mozart, Beethoven. Schulert and their lesser colleagues produced the entire body of classical music, most of it from Vienna or within its cultural orbit. The late 19th century brought Brahms, Bruckner, Mahler and Hugo Wolf, leading virtually without a break to the New Vienna School of Arnold Schoenberg, Alban Berg and Anton Webern, and its extensive influence on post-World War II

Strauss Dynasty

Vicina also means the elder and younger Johann Strauss and their dynasty, who transformed the lowly country dance into the Vicinese water and created the Vicinese operatis. The Wiener Secogericales—the Vicine, Boys' Choir—are not only musical ambassadors to the world, but as part of the Hoffcapelle, which supplies music for the Sunday masses in the former imperial chapel, they represent a five-century-old musical tradition.

A night out in Grinzing might include Schrammel music, played by a uniquely Viennese quartet of two violins, guiter and accordion, or music by one of the uniqueness middle with the control of the contr



Herbert von Karajan in Salzburg.

Man."

Salzburg (actually not incorporated in Austria until Napoleonic times) was the site of the first opera performed north of the Alps (1617) and, of course, the birthplace of Mosert. It also gave the world the Christmas hymn "Silent Might, Holy Night," co-authored by a parish priest and church organist in the Salzburg countryside, and the Trapp Family Singers, celebrated in "The Sound of Music."

If Vienna's, and Austria's, musical life today is too conservative to put it in the forefront of European musical life, at least it has much to conserve. The emphasis is on performance and performers, and the state takes a large fromtical hand in supporting such institutions as the Vien-

na State Opera, the Vienna Philharmonic and the Salzburg Festi-About \$14.6 million to earmarked for music in the 1978 national budget, but this gives only a hint of the state's role in promoting music. It does not for instance, include the four national theaters in Vienna-the State Opera, the Volksoper, and the Burgiheater's two houses with an annual budget of about \$66.7 million, about 80 per cent financed by the state. This cost the taxpayer \$32,7 million (in 1976) for the State Opera alone, although top prices are now up to \$80 a

seat for certain performances,
Affection

But there is more than tax money behind the affection of the Viennese for their opera. Its problems, intrigues and scandals are almost delity material for the city's newspapers, and they are followed by Viennese who rarely if ever set foot in the place.

The State Opera's pride of place is natlected in the mounmental building on the Ringstrasse that it has occupied since 1869, except for the decade following several direct hits it took during an Altied air raid on March 12, 1945, During that peried, the company played in the Theater en der Wien while top priority was given to rebuilding the house on the Ring—the stage with the most modern equipment the 1.600-seat auditorium in its imperial white-sind-gold golendor. It was recogned on Nov. 5. 1955, with a performance of Beethoven's "Fidelio" that was carried to crowds in the street ter and around the

world by radio.

The State Opera has had its glorious eras and its chaotic ones. Among the former were Gustav Mahler's period as director at the turn of the century, the 1920s under Richard Strauss, the immediate postwar period under Josef Krips when tours to other European capitals again exported Vienna's Mosart style, and most vienna's Mosart style, and most recently the directorial era of Herbert von Karajan (1957-64), who shook the dust of Vienna irom his fect for 13 years, but has remained Austral's dominant musical personality from his platform in Salzburg.

Vienna's second opera house, the Volksoper, outside the city center, offers opera at more accessible prices, explores areas of the repertory not found at the State Opera, particularly operetta, and was one of the first European opera houses to import the American musical. The Europer offers small-scate rarities with young singers in a small downtown theater and in the summer in Schoenbrunn Palace.

The 150 members of the State Opera orchestats are civil servants but in private life they are also independent members of the "Philharmonic Republic"—the Vienna Philharmonic—which began its independent concert activity in 1842 and gives 10 pairs of subscription concerts in Vienna each season, in addition to festivals and tours. The built of Viennases concert life is sustained by the city's "second orchestra," the Vienna Symphony, jointly sup-

posted by the state and the city. In the provinces, principal operatio, orchestral and music conservatory activities are maintained in Linz, Graz, Salsburg and Innabruck, but it is during the stammer festival scann that the provinces take over from the

The Salzburg Festival, founded in 1920 by a group that included

Max Reinhardt, Hugo von Hofmannsthal and Richard Strauss is arguably the granddaddy of the modern European music festival, It is Austria's prestige summer attraction, with costly productions and top performers, the lion's share of state support (\$1.7 million in 1976), and stunning prices (up to \$120 a seat this year for opers—although \$3.20 will still

get a seat for the more modest concerts. Karajan is not only one of the directors of the summer festival, but also is the founder and chief performer—with his Berlin Philhacomonic Orchestra of Salsburg's Easter and Whitsuntide festivals. An all-Mosart week in Jamary completes Salzburg's festival offerings.

Hisewhere, the Vienna Pestival

point in the capital's season, summoning a special effort from the city's theaters and concert organizations. Brogenz (late July-August) has interesting programs and modest prices on the banks of the Woerthersee, and Styrian August (October, in Graz) is devoted to all aspects of contemporary art.

The Theater Shows Signs of New Life

By Alan Levy

VIENNA (IHT).—The Josefstadt theatrical quarter has come alive and aglow this winter with a flicker faintly recalling the ferment of Max Reinhardi's heyday.

Reinhardi's old—and, in recent years, grayly eminent—Theater in der Josefstadt witnessed the return of a prodigal daughter return of a prodigal daughter home in a stuming revival of Odon von Horvath's "Faith, Love, Hope."

After some success in Vienna's smaller German-language theaters, Miss Stadler left Austria for Switzerland and Germany more than a decade ago because "it's not good for young artists to stay here. That's why so many of the good actors in Germany are Austrian. I know how to act, but I didn't learn how to work until I went abroad. Here it was too 'schlampig' (sloppy), with good actors and directors giving less than their best."

Miss Stadler attributes some of this "schlamperel," oddly enough, to generous government subsidies to the arts enabling Vienns to offer more live cultural entertainment any night of the week than New York or London. Aside from the East European nations, which attach ideological strings, no other country in the world does more per capita for its arts than Austria. Some theatrical subsidies run as high as 90 per cent of annual budget, which, in Krista's opinion, encourages genuine talent to "coast on their contracts."

She felt herself "getting this way" in 1969, when she was "playing boulevard comedy in my sleep in Munich for 4,000 deutsche marks (then worth about \$1,000) a month," so she dropped out

into the counter-cultural scene for three difficult years before working her way back into the limelight with small progressive theaters in Vienna and West

Vienna's English Theatre's esteem was built painstakingly upon 15 years of hard work and ruthless professionalism. Founded in 1963 by American actress Ruth Brinkmann and her Austrian director husband, Franz Schafranek, it sold itself—first to a small but devoted public, then to the Austrian achools—as a forum for British and American plays propenly performed by profes whose mother tongue is English. Out of this came a series of successes leading to a municipal subsidy in 1966, a federal subsidy not long after (though total subsidy has never exceeded 20 per cent) and, in 1974, a permanent home on Josefagasse: 2 250-seat turn-of-the-century neo-baroque jewel box that was adapted to modern technology at a cost of

more than \$250,000.
Since then, Vienna's English Theatre has had a Tennessee Williams world premiere (Keith Baxter and Ruth Brinkmann in 'The Red Devil Battery Sign'), for which the playwright spent much of ten weeks working closely with director Schafranek, and a couple of Continental premieres without ever relaxing the standards that have made it the only theater of its kind on the Continent of Europe.

Just outside the Josefsadt, Vienna's two national theaters—the Burgtheater, once an inviolable fortress and more recently a musty museum of German classical drama, and the smaller Akademietheater—are s how in g signs of revitalization under their new chief, actor Achim Benning. A few foreign breezes have help-

Cressida," Shakespeare in German staged by Terry Hands of Britain's Royal Shakespeare Company; two outwardly comic onesct protests by the persecuted Prague playwright Vaclav Havel; and Max Frisch's ironic "Biedermann and the Firebugs" on a provocative double bill with Gotthold Ephraim Lessing's two-centuries-old "The Jewa."

For the creative ferment that engenders original plays Made in Austria, one must gaze 125 miles south of Vienna to the provincial capital of Graz—where Peter Handke, now living in Paris, came into his own; where Wolfgang Bauer, whose success has spread abroad, still lives; and where Gerhard Roth, whose satiric "Longing," scored last autumn, is rumored to be dicketing with Paul Newman over a future vehi-

"If you're good, you leave Aus-

tria" is a saying heard more often outside than inside the country. In any event, it is simplistic. It is truer to say that, artistically, Vienna is a living museumwhere most of the world's best and some of its worst is exhibited, though all too often with the "Schlamperei" that Miss Stadler deplores. And more to the point, the Austrian public is an extremely sentimental and conservative one, so younger play-wrights like the belligerently avant-garde Handke and the hyper-realistic Bauer are prophets with honor, but no great following, in their native land.

Nowhere are the trends of present-day Austrian creativity more visible than in the fine arts. Many of Austria's best and brightest painters live elsewhere. The spiraling conservationist and exhibitionist, Friedenspeich Hun-

dertwasser, commutes between Venice and New Zealand; Liselotte Hoehs, whose urban naifs delight the child in all of us, lives in Venice but exhibits in vienna's Galerie Wuerhie; and the greatest of them all. Oskar Kokoschka, who just turned 92, lives in Villepeuve, Swilzerland "Mr. O.K." has recent-

Vienna's Galerie Wuerhie: and the greatest of them all. Oskar Kokoschka, who just turned 92, lives in Villeneuve, Switzerland. "Mr. O.K." has recently gone back to portraits and etchings after a bout with cient crucifixions and retains his affiliation with the Galerie Welz in Salzburg. Peter Klitsch, 43, who paints lovely 16th-century baroque orientalia, lives in the woods of Lower Austria with his Japanese wife when he isn't away in quest of jet-age inspiration. In Vienna, the School of Fantastic Realism is now so

institutionalized that with the amusing and colorful exception of Arik Brauer, 48 tis bestknown practitioners are all wealthy men with professorships and status symbols and very little prospect of or desire for further artistic growth. Rudolf Hausner goes on drawing variations of his "Adam" as though he were the last as well as first man on earth. Anton Lehmden's still-life landscenes grow stiller and Wolfgare Hutter's work more ornate and sweet with each passing yearthough one of Hutter's pupils, Klaus Karma, who paints almost exclusively with black oil and gold lesf, is displaying symptoms of genius at exhibits around town. Of all the Pantastic Realists, the one who monopolizes the Viennese limelight the most is the serio-religious Ernst Fuchs, 48. the best graphic artist of the. group, who has ventured into, stage design in Vienna, Hamburg and Munich with great success and goes about town here in his



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